

Hundreds dead in Kabul revolt against Russians

Hundreds are believed to have died during the weekend uprising in Kabul. Although the city was quiet yesterday under Soviet guns, hatred of the Russians was simmering everywhere, according to messages reaching Islamabad and Delhi.

Hated Soviet troops split city in two

Islamabad, Feb 24.—Streets and pavements in Kabul are stained with blood after fighting in which hundreds of people are thought to have been killed, informed sources said here today.

The sources, who have access to reliable information in the Afghan capital, said that hospitals were strained to the limit. Some had run short of beds and medicine.

Evidence of large-scale killing is everywhere, particularly in the old city, one source said. "It is believed there are several hundred dead and the number of wounded could be in the thousands."

Afghanistan said today in a statement broadcast by Moscow radio that it had crushed an attempt organized by the United States, China and Pakistan to mount a revolt against the new Soviet-backed Government.

The sources said that bazaars and shops in Kabul were closed for the fourth consecutive day in a sign of continuing unrest. Intermittent firing could also be heard. "The city is extremely tense although Kabul is very much in the iron grip of Soviet and Afghan troops," a source said.

According to reports reaching here, Soviet troops in Jalalabad had continued to be reinforced and may now number about 5,000. Some were understood to be heading north-east and east towards the frontier with Pakistan.

Herr Brandt 'sought as East-West mediator'

From Gertel Spitzer
Berlin, Feb 24

Herr Willy Brandt, chairman of West Germany's Social Democratic Party, and former Chancellor, was asked by the United States and the Soviet Union whether he would be willing to act as a mediator between Washington and Moscow, Der Spiegel, the news magazine reported today.

Herr Lothar Schwarz, a spokesman for the SPD, partially confirmed the report. He said it was correct that Mr Brandt was being approached in a speculative but helpful and suitable elements."

Asked whether he denied the report, he said: "No." He would not elaborate.

(Reuters reports from Hamburg that an SPD spokesman earlier this month. The spokesman refused to confirm or deny whether the President had asked Mr Brandt to go to Moscow. Mr Brandt did not plan such a trip at present, he added.)

Der Spiegel's story, in brief, is as follows: On Friday, February 15, Herr Brandt submitted

the report of the North-South Commission to President Carter. The President asked Herr Brandt if he was prepared to undertake a trip to Moscow; in view of his good relations with Mr Brezhnev, it was felt he could get dialogue between East and West started again.

The magazine quotes Mr Carter as saying: "Please start on the assumption that we have got total again". Herr Brandt was reported to have reacted with caution, but to have let the President know that he was prepared to make such a trip.

According to the magazine, the Russians approached Herr Brandt on February 4, when Mr Vladimir Semynov, the Soviet Ambassador, gave Herr Brandt a list of what Moscow considered offences by the West against détente.

Washington responds: While declining any official comment on the report, Administration officials said it was quite possible that President Carter's senior foreign policy advisers had asked Herr Brandt to mediate with Moscow over Afghanistan (Our Washington Correspondent writes).



UN team in Tehran: President Bani-Sadr of Iran (centre), shaking hands with Mr Muhammad Sadegh of Algeria during the formal welcoming of the five-member commission of inquiry to Iran yesterday. The United Nations, which sponsors the commission, and the Carter Administration, hope that the investigation into the deposed Shah's

rule will lead to the release of the hostages held in the American Embassy in Tehran.

The commission, composed of five lawyers, received promises of co-operation from Iranian leaders, including Mr Sadag Qorbzadeh, the Foreign Minister. But government officials insisted that the commission's task was not to free the 49

American hostages, and it was not clear whether they would be allowed to see the captives.

President Bani-Sadr has said that America's recognition of its past role in supporting the Shah in his alleged crimes against the Iranian people is a prime condition for the release of the hostages. But in an interview with the official Paris

news agency, Mr Qorbzadeh repeated that the commission and the hostages were separate issues.

The whole issue of the hostages' release appears to have been postponed after a weekend statement by Ayatollah Khomeini handing over the setting of terms for their release to Iran's Parliament, which is to be elected next month.

Mr Sirs is expected to end union action at private steel firms

By David Felton
Labour Reporter

Leaders of the main union concerned in the national steel strike, which this week enters its third month, this afternoon are expected to call off the action by its members in the private steel companies in the face of their increasing reluctance to stay out on strike.

The executive committee of the Iron and Steel Trades Confederation will meet a short time after Mr William Sirs, the union's general secretary, has met senior British Steel Corporation officials at a TUC steel committee meeting.

Mr Sirs and Mr Hector Smith, leader of the blastfurnacemen's union, hope that British Steel will announce that it has dropped its deadline of 52,000 redundancies in the industry by the end of August.

British Steel officials refused to be drawn on what might be said at the steel committee meeting by Mr Robert Scholey, the corporation's chief executive, and Dr David Grieves, personnel director, but said that a delay in the closure programme did not mean that extra funds could be transferred to meet the unions' pay claim.

Confederation officials acknowledged that withdrawing the strike instruction from the private sector would weaken their position, and might stiffen the resolve of the "hawks" in the Cabinet who, the union believes, hope that the resolve of confederation members in British Steel will start to flag.

The union said yesterday that there was no evidence of this happening and it did not consider the votes to return to work by 5,000 workers at Hadfield's and at other private sector companies as a defeat. With the private sector back at work, the union would start receiving subscriptions again and a levy of the private sector members to support the British Steel strike had not been ruled out.

The union's leaders are also angry at the corporation's response to the claim which was presented on Friday and which was dismissed by Mr Scholey as leaving a "massive" gap between the two sides.

Mr Roy Evans, the confederation's assistant general secretary, said that he thought Mr Scholey's "abuse" was not working properly and that he had not taken into account the fact that the unions were offering a 15-month deal.

Hadfield's men revolt: Open revolt against the Iron and Steel Trades Confederation strike showed at the weekend with the decision by private sector steelworkers to resume normal work at Hadfield's, one of Sheffield's biggest privately-owned steel companies (Ronald Kershaw writes from Sheffield).

Workers at Sheffield's other big steelmaker, Firth Brown, have also decided on a return to work.

Protest strike call: Mr Len Murray, TUC general secretary, yesterday called for a national one-day stoppage in protest against Government policies (The Press Association reports).

"We are asking people on (Wednesday) May 14 to take the day off from work to demonstrate their protest and to make their voices heard," told a meeting of Dover Trades Council.

A protest march in London has already been fixed for March 9.

Mr Murray said: "We shall not be fooled by talk of bringing the Government down. We want to say: 'We don't like your policies. They must be replaced by policies which bind the wounds of the nation'."

Oil tanker disaster poses threat to Greek bay

From Mario Modiano
Athens, Feb 24

Four anti-pollution squads of the Greek Ministry of Merchant Marine were working today at the Bay of Pylos in south-western Greece to prevent an ecological disaster after the Greek tanker Irene Serenades sank with 101,000 tons of crude oil on board.

The tanker, which was carrying the oil from Syria to Trieste, put in at Pylos yesterday for refuelling. A sudden explosion followed by a fire left in flames and half-sunk about one mile from the harbour.

The first mate and the purser were reported missing, but the remaining crew—12 Greeks and 17 foreigners—were safe on shore.

The tanker sank early today after a series of explosions. The fire died down, but oil continued to gush out of the hull.

The anti-pollution teams, working from four special craft, tried to restrict the oil slick which, if left unchecked, could destroy all the marine life in the bay, considered one of the most beautiful in Greece.

The narrow passages to the open sea mean that it could take decades for the water in the bay to be renewed. The bay is three and a half miles long and two miles wide.

Three years ago Pylos Bay was the centre of controversy when conservationists fought a legal battle against plans to set up a chain of industries there based on a large shipyard.

Security forces show off Soviet tanks as rallies end Rhodesia poll campaign

From Nicholas Ashford
and Dan van der Vat
Salisbury, Feb 24

The election campaign for the 80 African seats in the Salisbury Parliament came to an end today with the last big weekend rallies by the contending parties. Voting takes place on Wednesday, Thursday and Friday.

One notable absentee from the weekend rallies was Mr Robert Mugabe, leader of the radical Zanu (PF) party. He was to have spoken at a meeting at Umtali yesterday but changed his plans after a rocket was found outside the stadium. He has not addressed a rally for two weeks, having also failed to appear at a meeting at Bulawayo a week ago: again for security reasons.

As Mr Joshua Nkomo, leader of the Patriotic Front (PF), and Bishop Abel Muzorewa, the former Prime Minister and leader of the UANC, addressed the 570 British policemen were being sent out today to rural polling stations, ready to reassure voters of the security and honesty of the ballot. The men arrived here at the weekend with tropical-weight uniforms and their traditional helmets.

The Rhodesian Security Forces have proudly displayed their latest military acquisition to the Rhodesian press—Soviet T55 tanks. In an extraordinarily insensitive and untimely demonstration, the Security Forces also disclosed that they had acquired air-to-air missiles for their ageing British-made Hawker Hunter fighters.

The Rhodesians are believed to have about 32 Soviet tanks. A site near Bulawayo is understood to have been sent on an East European cargo ship by Colonel Gaddafi of Libya to President Amin of Uganda as the Amin regime was collapsing. The ship was apparently diverted at sea to Durban, South Africa, from where the tanks were brought into Rhodesia.

As foreshadowed in reports in The Times last week, good news appears imminent on the vexed question of integrating the two guerrilla armies—the Mugabed Zanu and the pro-Nkomo ZAPU—with the Security Forces. A site near Bulawayo is believed to have been chosen for the assembly of about 1,000 men—one third from each force—to be trained as the first post-independence integrated regiment. Formation of an integrated unit before independence is regarded here as the minimum necessary to allay fears of a renewal of civil war.

Muzorewa plea and Mr Nkomo accuses, page 6; Election complications, page 14

13,000 laid off today at British Leyland

Nearly 13,000 British Leyland employees will be laid off 6,500 on short-time working today. A planned programme of layoffs caused by the sharp drop in the market share of BL vehicles will affect 21,000 workers, 18 per cent of the workforce, over the next few weeks. Page 17

Attack on Phalangist

Mr Bashir Gemayel, the military commander of Lebanon's Phalangists, escaped a bomb attempt on his life, but his daughter and seven others were killed. The attack dashed prospects of talks aimed at forging national unity. Page 6

U S warning on coup

Amid fears that a right-wing coup is imminent in El Salvador the United States has said it will cut off aid to any new regime which fails to respect human rights and frustrates reforms. Page 7

Benn bafflement: Associates of Mr Wedgwood Benn denied that he had ever controlled Labour's left-dominated national executive

Sea treasure: Two divers have salvaged £190,000 from the liner Oceanic, which sank off Scotland in 1914. Page 2

RSPCA revolt: Activists in the RSPCA decided to campaign for changes in the Government's Farm Animal Welfare Council. Page 4

Brussels: An intriguing constitutional tussle is developing over the issue of exporting surplus EEC butter to Russia. Page 6

Americans win gold in ice hockey

The United States ice hockey team came from behind to beat Finland 4-2 and win the gold medal at the Winter Olympics. On Friday night they provided the surprise of the Games by beating the Soviet Union. Page 8

Leader, page 15

Letters: On Linner London schooling, from Mr Martin Lightfoot; on British agriculture, from Mr Malcolm Hill; on Union peace groups, from Mrs Christopher Ewart-Biggs. Leading articles: Afghanistan; Press Council and the Birmingham smalt case. Features, pages 7, 14

Nicholas Ashford on the complications of Rhodesia's elections; Paul Routledge on the new mood at the unions; Trevor Fishlock on the America's Cup. Sports, pages 8-10

Cricket: Howarth hits highest Test score; West Indies delay resumption of play; Tennis: Amiraj in WCT final against Borg; Rugby Union: Injuries in Scotland team; Racing: Champion Hurdle back to form. Page 13

Ned Chaffler interviews Philip Martin, whose play *Three girls* opens at the National tomorrow. Kay Dick welcomes an abridged edition of *Freddie's Life of Carlyle*; William Mann on a Cambridge operatic anniversary celebration. Features, page 16

Mr Evan Maude, Air Commodore James Warburton. Business News, pages 17-22

Financial Editor: Lessons from the liquidity squeeze; Composite insurers braced for lower profits. Business features: John Huxley on the return of an eighteenth century cotton mill; David Hewson on the future of London's dockland. Diary profiles Richard Langdon, accountant. Management: A United States retail giant in the money markets; training top executives; new thoughts on insider dealing.

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Thatcher plan for Budget and cuts in 'one big dose'

Mrs Thatcher is considering delivering one big dose of bitter medicine by deferring the White Paper on public expenditure cuts by a week, on which it is expected to propose a reduction of a further £700m in next year's spending plus any reduction in Britain's contribution to the European Economic Community. Page 2

London's 'noise police'

"Party police" to control late-night noise are operating in parts of London. The "police", environmental health officers, who are accompanied by real police, are available to call on parties as soon as a complaint is received. Page 4

EEC-Yugoslavia pact

The EEC and Yugoslavia have concluded a preferential trading agreement after two years of negotiations. It is hoped that it will improve Yugoslavia's economic strength and its ability to defend its non-aligned status. Page 6

Press vindicated

The Press Council has said its inquiry failed to establish that the press acted improperly towards Professor Henry Badson, who killed himself after a small-n outbreak in Birmingham. Page 4

Israeli currency flight

The Israelis have reacted to the introduction of the shekel, their biblically inspired new currency, with a run on Arab money-changers. Food prices have sharply increased. The general reaction to the shekel's name has been unfavourable. Page 6

Republicans stop being nice to one another

From Patrick Brogan
Washington, Feb 24

The Republican candidates for the Presidency stopped being nice to one another last night. Hitherto, they have observed the eleven commandments laid down by Mr Ronald Reagan—thou shalt not speak ill of other Republicans.

Senator Howard Baker used to say that he would not mount to the presidency over the bodies of his friends. He discovered last night that that might be the only road to the White House and that others were quite ready to use it. Five candidates, including Mr Baker and Mr Reagan, spent an acrimonious evening in Nashua, New Hampshire, speaking very ill of and to Mr George Bush.

Mr John Anderson called him arrogant. Mr E. A. Tamm said, "If he is the front runner, he wears that crown most unbecomingly." Senator Robert Dole said, "George Bush has torpedoed us tonight; he had better find another party." Representative Philip Crane said, "I would not lend one iota of legitimacy to this fraud."

This sound and fury was provoked by Mr Bush's attitude to a debate that had been proposed by the *Nashua Telegraph*. The newspaper thought that a debate between the two front-runners, Mr Bush and Mr Reagan, would be more rewarding than one involving all seven candidates.

There was a such a debate on Wednesday, and it was indeed exceedingly dull, partly because they were all so polite to each other. Five who were excluded by the proposal of the *Nashua Telegraph* all protested bitterly, and the Federal Election Commission ruled that the newspaper could not pay for the debate because that would be a corporate contribution to the Bush and Reagan campaigns.

Mr Reagan then proposed to share the expense with Mr Bush and when his rival declined, paid for it all himself and, at the last moment, invited the other five candidates to attend.

Four accepted gladly (Mr John Connally was out of state and missed the event but Mr Bush, who was in Nashua, wanted a two-man debate).

The newspaper invited the four unlucky candidates, Senator Baker and Senator Dole and Mr Anderson and Mr Crane, to attend the debate. He made short statements at the end of it. All six men came on to the platform in a school gymnasium in Nashua, and Mr John Breen, the newspaper's executive editor, took the chair.

Mr Reagan took the microphone, and started to make a statement to explain why the debate would be between him and Mr Bush alone. Mr Breen interrupted: "Will the sound man please turn Mr Reagan's microphone off."

This provoked a storm of protest from the audience, and the comment from Mr Reagan: "I am the sponsor, and I suppose I have some rights". Mr Breen abandoned his objections. Mr Reagan blamed Mr Bush for the confusion and for the exclusion of the other four candidates, while his rival sat uncomfortably off to one side.

The other four then walked off, shaking Mr Reagan's hand and ignoring Mr Bush.

"There'll be another day," Continued on page 6, col 5

President Tito weakened by pneumonia

Belgrade, Feb 24.—President Tito is now suffering from pneumonia as well as serious kidney trouble and his power of resistance is clearly declining.

He had been put on a dialysis machine which seemed to have saved his weakened kidneys but because of prolonged rest he developed pneumonia which was disclosed yesterday.

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HOME NEWS

Farm welfare group changes sought after RSPCA dispute

By Hugh Clayton

Agriculture Correspondent

Animal welfare activists decided yesterday to campaign for changes in the Government's Farm Animal Welfare Council, after a meeting on Saturday of the Royal Society for the Prevention of Cruelty to Animals.

Attempts at the meeting to unseat half the RSPCA's governing council failed. Council members were attacked for forbidding two senior staff members of the society to accept an invitation to join the FAWC from Mr Peter Walker, Minister of Agriculture.

Mr Richard Ryder, a former chairman of the society, said yesterday: "It was a sad day. Nobody won and the animals lost." He had been prevented on Saturday from proposing that the society should appeal to Mr Walker to change the constitution of the FAWC.

Mr Ryder wanted Mr Walker to remove voting rights on the FAWC from those members of it who are associated with practices like factory farming, which the RSPCA opposes. "I think it will be difficult for Mr Walker to climb down, but I think he is a big enough man to do so," Mr Ryder said.

The RSPCA has lost credibility over the issue and the FAWC has lost credibility.

Almost 1,400 animal-lovers

assembled in London on Saturday for a set-piece battle in the long struggle for control of the society. At stake is an annual income of more than £5m, protected from full tax rates by the charitable status of the RSPCA. Members showed that they love animals much more than they love each other.

Last year the RSPCA council voted by 11 to 10 to forbid staff to join the FAWC. A motion on Saturday calling for the resignation of the 11 from the council failed to reach the 60 per cent vote needed.

While ostensibly about the FAWC, the angry five-hour debate was really about fundamental policy. Mr Ronald Butler, a former chief superintendent in the animal inspection of the society, said: "Today we have been subjected to the bawls and howls of extremists."

Mr Richard Corse, one of the 11, said amid loud cheers: "There is no motion to expel factory farmers from the RSPCA, it is there." Mr Janet Fookes, Conservative MP for Plymouth, Drake, and chairman of the society, was asked on Saturday about the split at the meeting. "I would not regard it as causing any lasting damage whatever," she said.

Agriculture column, page 16

Custody deaths 'link with complaints'

By Our Political Editor

A tendency for a higher number of deaths in police custody to occur in areas where complaints of alleged police assault were higher than the national average is added today in support of a renewed call to the Home Secretary for a public inquiry into such deaths.

Mr Michael Meacher, Labour MP for Oldham, West, claims a "significant and close connection" between the two incidents and states in a letter to Mr William Whitelaw, the Home Secretary, that that makes a public inquiry "imperative".

Mr Meacher believes that such an inquiry ought to concern at least a sample of the 245 who so died between 1970 and 1979 in England and Wales. Mr Whitelaw is deferring a decision pending conclusion of the inquiry into the death in police custody of Mr James Kelly, in Merseyside.

In reaching his complaint-death connection, Mr Meacher has correlated complaints alleg-

ing police assault per 10,000 arrests in 1978 with the 1970-79 deaths in custody per 10,000 arrests, which, he argues, is not statistically improper.

He finds nine police areas which exceed the national average of 34 assault complaints per 10,000 arrests, and in six of them the number of deaths in custody exceed the 2.7 average. The highest ratios, on Mr Meacher's comparison, were in London: the City of London, with 10.5 deaths and 72 complaints; and the Metropolitan area, with 8.3 deaths and 42 complaints; both are calculated on a rate of 10,000 arrests in 1978.

Mr Meacher, calling on Mr Whitelaw to avoid "further unreasonable delay" in publishing the full details of the 245 persons who died, also discloses new information he received from the Attorney General in a parliamentary written reply. It is that only 26 complaints were received after the 245 deaths, but that 18 of them alleged assault causing death. The Director of Public Prosecutions has not brought charges in any

London boroughs set up teams to enforce noise control under the pollution Act 'Party police' on the trail of Saturday night fever

By Penny Symon

Every weekend London's "party police" report for cars, noise meters and a tactical but firm manner. Their task is to try to ensure that Saturday night exuberance does not interfere with neighbours' right to sleep.

The "police" are, in fact, environmental health officers, who have the difficult task of dealing with complaints about noisy parties under the Control of Pollution Act, 1974.

People with a complaint, however, usually telephone the police, who will intervene only if a breach of the peace is being caused, or licensing laws contravened. Otherwise they will advise complainants to get in touch with the local authority.

But not every town hall employs staff to man weekend and emergency telephone answering service, and complainants can be left feeling angry and helpless as the din continues.

The London Borough of Hackney has devised a bold scheme to overcome this difficulty. Its environmental health officers, working on a voluntary rota, visit the borough's four police stations in turn on Saturday nights, so that when the complaints come in they can go to the scene with police officers in a patrol car.

The Control of Pollution Act has given local authorities wide powers, stating that where they are satisfied that noise amounting to a nuisance exists, or is likely to occur or recur, they can serve a notice requiring its abatement.

"Therefore we can serve a notice before a party is held if we feel that it is likely to cause a nuisance because we have evidence that there have been noisy parties in that particular house before," Mr Christopher White, Hackney's principal environmental health officer, said.

A person will perhaps pay



Mr Glen Partridge, coordinator of Southwark Borough Council's noise patrol, and Miss Antonia Darwall, checking sound levels with meters outside a block of flats last week.

"This part of the Act is helpful and gives us wide powers, but we do not like to use them too often."

"We are not after the person having a one-off celebration, because if we get a complaint and wish the party-giver is usually prepared to be cooperative and turn the noise down," Mr White said.

"It is the parties with a commercial aspect that persistently give us trouble."

A person will perhaps pay

the owner of a house for the use of his basement, or take over an empty house, and charge people to get in. Drink is sold, and the noise can continue all night and well into the next day. A great deal of money is made that way each weekend.

The local authority's difficulty in these cases is finding the correct person on whom to serve a notice. The Act says that it should be served on the person responsible for the nuisance, or, if he cannot be found, the owner or occupier of the premises.

"This is easier said than done if the person opening the door denies he is giving the party and does not know who it is," Mr White said.

"Perhaps the noise is turned down while the officer is there, and turned up again the moment he has gone. I have been in a situation where I was backed up against the balcony on the sixth floor with a

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sance, or, if he cannot be found, the owner or occupier of the premises.

Report on fenced-in lorry justified, Press Council says

A light-hearted newspaper report that council workmen fenced-in their lorry was justified by information the reporter was given, the Press Council ruled yesterday.

It rejected a complaint by Mrs Catherine Hamilton, of Upland Road, Leeds, that after publishing a report containing untrue allegations reflecting on her husband's competence and work the *Sunday Express* failed to correct them when informed of their falsity.

Brian Duffy had reported that two Leeds City Council labourers worked all week erecting a fence by a flower bed outside an old people's home. They forgot to leave a gap for their lorry and later 15 ft of fence had to be ripped out to release it.

Mrs Hamilton's complaints included the fact that her husband was a joiner, not a labourer, and that he and his colleague parked a caravan, not a lorry, in the enclosure.

Hunt saboteur's jaw broken in 'attack by gang'

A hunt saboteur was in a hospital last night with a broken jaw after being attacked in the New Forest, Mr Patrick O'Neill, aged 45, of Westley Close, Winchester, was said to be "quite comfortable" in Southampton General Hospital after an operation.

Forest draw away from the hunt when a car pulled up and a gang of men got out," his wife, who is a magistrate, said. She did not see the incident.

Mr O'Neill is a member of the Southampton Hunt Saboteurs' Association. About 15 members tried to sabotage the New Forest Foxhounds' hunt on Saturday.

Sir Newton Rycroft, master of the hunt, said: "The incident was in no way connected with a hunt, which at the time was about two miles away."

Nuclear power warning by consumers' council

By Robin Young

Consumer Affairs Correspondent

The Electricity Consumers' Council, in its second annual report, criticises the Electricity Council's medium-term development plan for the electricity supply industry.

It fears that the Electricity Council's "firm pro-nuclear position" may mean that there will be a rush to order a series of new power stations ahead of need.

The consumers' council, set up by the Labour government in 1977 and financed by the Department of Trade, argues that nuclear power may have an important role to play when oil and gas supplies run out, but the enormous capacity Britain has for producing electricity from coal should not be forgotten.

Alternative sources of energy and a determined conservation policy could also contribute and "no heavy emphasis on nuclear power would not seem in consumers' short- or long-term interests."

Commenting on the industry's performance, the report says there has been an encouraging increase in the efficiency of generating the nuclear power, but the increasing frequency with which the Magnox nuclear power stations are out of service is a cause for concern.

Of even greater concern is the continuing series of delays in large power station construction. "The consumer has had to foot the bill for poor management and productivity on site for years, but delays have only lengthened."

Consumers and Electricity, annual report 1979 (Electricity Consumers' Council, 119 Marylebone Road, London, NW1 5PY).

Coroner's remarks on professor criticized

A man already under stress as the central figure in a crisis of acute public concern should not be left vulnerable to the heavy pressure of public, press, television and radio inquiries, as well as the Press Council emphasizes today.

The council set up an inquiry into issues raised by the Birmingham city coroner at an inquest in September, 1979, on Professor Henry Bedson, head of the medical microbiology department at Birmingham University, who killed himself after an outbreak of smallpox.

The coroner, Dr. Richard Whittington, said the professor was harassed by ceaseless inquiries, chiefly by the press, which must have contributed to his state of mental exhaustion.

Today's Press Council statement says that the inquiry failed to establish that any journalist or organization acted improperly or inconsiderately towards Professor Bedson or his family. The coroner's remark reflecting adversely on the press was ill-considered.

Where circumstances focused severe pressure on one person, the council declares, his organization should make firm arrangements to reduce the pressure on him. It should, for example, provide other spokesmen to take over inquiries and possibly hold press conferences.

At the same time, news organizations, while anxious to inform the public and maintain their freedom to make individual inquiries, should recognize the cumulative effect their activity could have on one individual and cooperate in channelling arrangements, if necessary setting those up themselves.

Mrs Janet Parker, a Birmingham University photographer working above the medical microbiology laboratories, contracted smallpox in September, 1978. The department was closed and Professor Bedson was placed under house quarantine. Two days later he cut his throat.

Recording a verdict that Professor Bedson killed himself, the coroner said the case illustrated the extreme difficulty of people who came under such public and dramatic circumstances without any mechanism to cope with the press.

The repeated inquiries to the household must have been a factor in the professor's state of mental exhaustion. Somebody should devise a mechanism to protect and help families in that sort of situation.

The Press Council statement issued today says: "The diagnosis of a smallpox case

in the university where Professor Bedson's important research into smallpox was taking place was a matter of national and international public interest. Newspapers, television and radio organizations were rightly anxious to obtain as much information as they could about the work of the department, the precautions taken and the circumstances of Mrs Parker's infection; and to publicize it in the public interest. A careful inquiry by the Press Council, however, has found that the coroner's remarks of evidence given at the inquest on Professor Bedson's suicide have been unfairly and inaccurately reported."

In the background to the inquiry the council recalls that on the day of the inquest Birmingham branch of the National Union of Journalists rejected the coroner's suggestion that Professor Bedson was harassed by the media.

Three days later Mrs Parker died and the Birmingham Evening Mail asked editorially whether the coroner's remarks covered only newspapers and why broadcasters were not mentioned. The editor, Mr D. H. Hopkins, said that the inquiry by the Press Council, which had already begun its own.

Mr Arthur Osman, Midlands Correspondent of *The Times*, and four other national newspaper representatives, on the day asked the council to investigate. They rejected the coroner's criticism as subjective, unfounded and a calculated smear. He had not mentioned broadcasters or tested witnesses' allegations of an avalanche of telephone calls and threats.

In a personal statement Mr Osman said that during seven days between the smallpox notification and the professor's suicide he telephoned the Bedson house only twice.

Mr David Jack, *Daily Express* district reporter, said he rang the house only once, and was given no answer. Mr Paul Connors of the *Daily Mirror*, said he had two polite conversations in the seven days, one with Professor Bedson, one with his wife.

Birmingham Branch of the NUJ called for investigations by the Press Council, the Lord Chancellor, and the NUJ National Executive.

When Mr Osman and his colleagues complained to the Lord Chancellor about aspects of the inquiry, his private secretary replied that coroners were independent of ministers except that the Lord Chancellor could remove them. In the present case the Lord Chancellor found no grounds for exercising his statutory powers.

Invited to help the Press Council, the coroner said the inquest evidence gave him ample cause for his remarks, and he had said Professor Bedson's action was partly caused by mental exhaustion precipitated by constant press inquiries. He wished to protect others in future from the effect of accumulated inquiries.

The coroner provided notes of evidence, including that of Dr G. R. B. Skinner, senior lecturer in Birmingham University's microbiology department, who said he telephoned Professor Bedson once, finding him troubled and tired, but not complaining about answering inquiries.

The department was "barred" by calls from the media and the concerned, sometimes inquisitive, public. Professor Bedson's suicide note, mentioning peace might refer to the avalanche of inquiries.

Dr Skinner later told the Press Council that the press repeatedly telephoned the Bedson home and his own. In general, they implied that if they were not given information only the worst could be interpreted.

Mrs Bedson said that when she found her husband wounded she called an ambulance, but "somebody from the press or media" telephoned. She asked them three times to clear the line before she could dial 999.

She thought her husband's reference in a note to some peace for her and the children referred to the constant hounding they had been having by the press rather than the public.

A family friend, Dr Kevin McCarthy, Professor of Medical Microbiology at Liverpool University, said that when he visited the house the day before the professor's suicide there were "not all that many" calls. Professor Bedson, who was exhausted, told him the telephone was "being invaded" by the press. He explained that he wanted to be in touch with the university.

When the Press Council asked the coroner to which journalists or sections of the media his comments referred, he said that evidence at the inquest mentioned only the press, but there must have been broadcasting inquiries.

Mr Paul Castle, West Midlands Regional Health Authority public relations officer, and his staff told the Press Council that the coroner was unfair to Professor Bedson to refer calls to them. He was grateful but said he would answer technical questions.

Leading article, page 15

In brief

County Council sues over ship

Iale of Wight County Council is taking legal action against the owners of a ship believed responsible for the canisters of lethal arsenic trichloride washed ashore on the island's beaches. It wants compensation for the operation of clearing the beaches.

The council blames the 8,500-ton Tunisian vessel, *Torrez*, which sheltered in Tor Bay during a storm last month. Mr Torrez's captain, chief scientist advised to the council said: "It appears that a big package or packing case fell overboard."

Oxford invitation to Lord Denning

Lord Denning has accepted an invitation to give copies of his book, *The Due Process of Law*, at the Oxford Union next Saturday, two weeks after his bookshop, Oxford, considered an independence by him because of threats of demonstrations.

Humbly Grove and West Sussex rates fixed

West Sussex County Council has approved a new county rate of 98p in the pound, a rise of 14p, or 16.7 per cent. Humbly Grove County Council has fixed a rate of £1.01 in the pound, an increase of 24p, or 31 per cent.

Hunt for girl's killer

About 70 policemen were attempting yesterday to find the killer of Lorraine Dillon, aged 18, a part-time hotel chambermaid, whose body was found in the refuse room of a block of flats near her home in Coubridge, Strathclyde, on Saturday.

Halt, toads crossing

Signs are to be erected to give warning of toads crossing the road near the Gloucestershire Trust for Nature Conservation's reservoir where they migrate to breed in the spring.

Bus strike ends

The 280 Ribbles bus men at Bootle whose four-day unofficial strike over the dismissal of a conductor had disrupted services on Merseyside, decided yesterday to return to work.

Three children killed

Three young children died in a fire at their home at Drumacree, Co. Down, Ulster, early yesterday. Their parents, Mr and Mrs Dominic Carroll, and a three-month-old baby escaped.

TV viewer at 106

Ms Caroline Black, a widow, of Turret Court, East Grinstead, Sussex, was 106 yesterday. One of her main interests is watching show jumping, tennis and golf on television.

Protest over NF march

Hundreds of demonstrators marched through Camberwell, south London, yesterday, calling for a proposed National Front march next Sunday to be banned. They were escorted by about 300 police officers.

BUSINESS PERSPECTIVES in association with THE TIMES present a one day conference:

CHINA 1980

-THE WAY AHEAD FOR TRADE AFTER THE REASSESSMENT'

Chairman:

The Rt. Hon. Lord Armstrong of Sanderstead, Chairman, Midland Bank Ltd.

Speakers will include:

Holger Hansen, General Manager, East Asiatic Co.

The Rt. Hon. Edward Heath, M.P.

Stanley Lubman, a leading U.S. lawyer specialising in Chinese law and foreign trade

Lord Nelson of Stafford, Chairman, GEC Ltd. and President, Sino-British Trade Council

Cecil Parkinson, M.P., Minister for Trade

This conference will provide those in business, industry and banking with an up to date assessment of the new developments which will affect trade with China in the foreseeable future. The conference will assess China's current and future foreign trade practices and policies, the current leadership and commitment to economic modernisation, the growing autonomy of the regions, current and likely future legislation relating to licensing, joint ventures, counter-trade and taxation, developments in finance and banking etc.

London Hilton Hotel - Thursday, 20th March, 1980.

BOOKING FORM:

Please reserve place(s) at 'CHINA 1980' Conference.

Please invoice company £95 + V.A.T. (£109.25) per delegate or please send further information.

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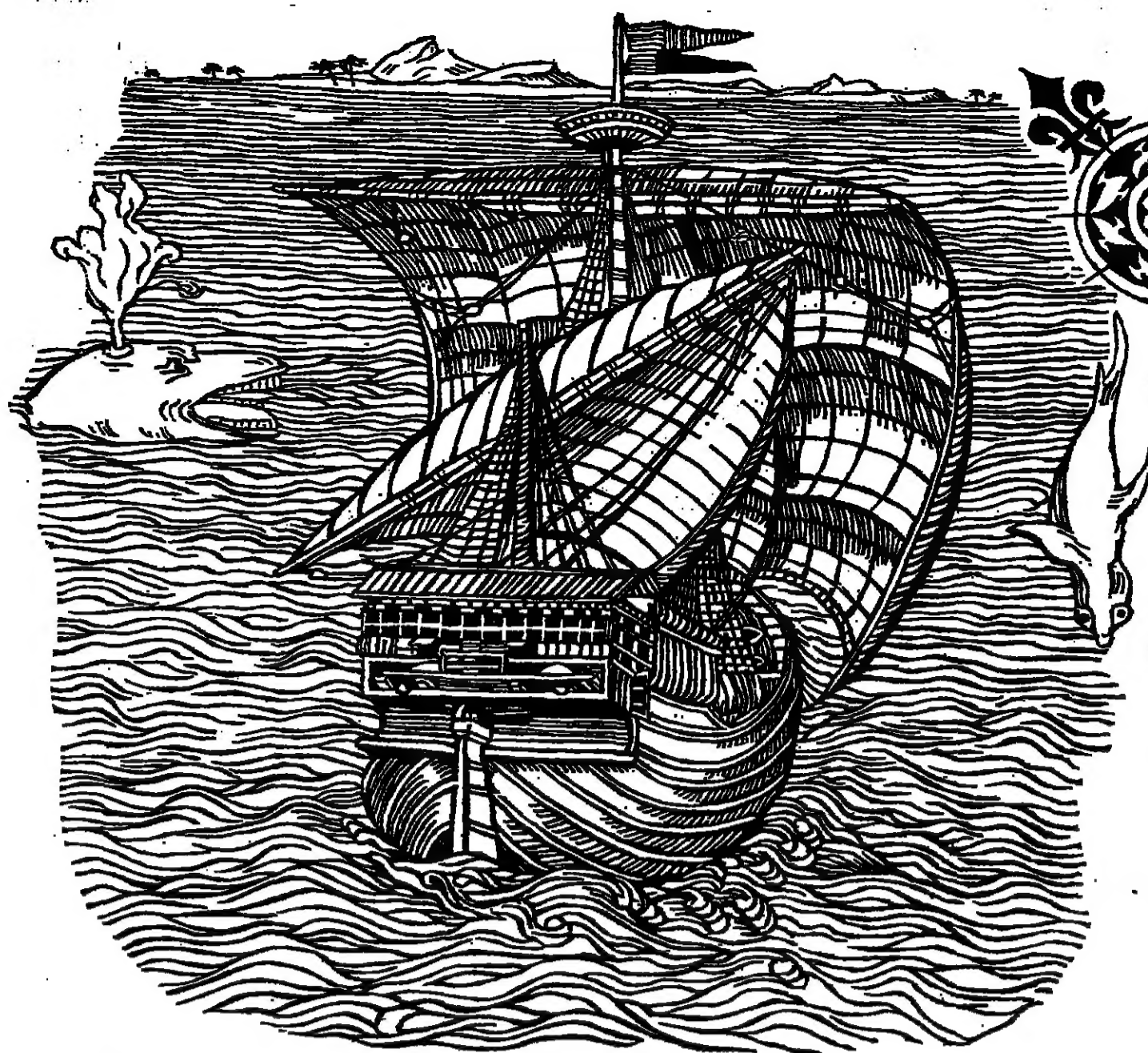
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In the sixteenth century the Spanish landed in the Philippines.

On April 8th the first of our new scheduled flights to the Philippines will land in Manila.

A journey of nearly 8,000 miles that will take our comfortable, wide-bodied TriStar approximately 16½ hours.

It's a far cry from 1521 when Magellan, during the first round the world voyage, decided to drop in and visit the locals.

Paradise Lost.

Magellan himself didn't last long in the Philippines.

The unfortunate fellow was killed while helping one Filipino group fight another.

But his discovery of the islands led to Spain moving in and setting up shop on a more permanent basis.

The Spaniards loved the place.

Especially the gold and silver they had seen the tribesmen wearing as jewellery.

Talk about gold fever.

They stayed on in the islands for the next 300 years. Right up until 1898 when they were finally given the heave-ho.

Uncle Sam in Paradise.

Spain's hasty exit was the result of a group of Filipinos who by now were tired of the Spanish ruling their roost.

They fought alongside the Americans in the Spanish-American war of 1898, to rid themselves of their unwanted guests.



But the delight of the Filipinos at saying goodbye to the Spaniards soon dissolved when they realized the Americans had taken a fancy to the islands. And for the next few decades they had to share them with Uncle Sam.

To be fair though, the U.S. did help the Philippines develop into a modern nation.

They not only brought roads, railroads, schools and doctors to the islands. They also gave the people ideas about democracy.

Then, in 1941, right out of the blue, the Japanese called by.

Paradise Regained.

The men of Japan outstayed their welcome for 3 years. Until they were finally persuaded to leave by the Americans.

At last, in 1946, the U.S. gave the Filipinos the one thing they hadn't enjoyed for many a year.

Independence.

Looking at the Philippines today it's no wonder that so many people wanted the place for themselves.

This dazzling chain of 7,107 islands stretches for over 1,000 miles in tropical seas.

And is jam-packed full of wonders.



Old Castilian towns, stunning aquamarine life and a fantastic array of exotic fruits and vegetation.

Not to mention countless sun-drenched beaches. (It's enough to give you a sun tan just thinking about it.)

Known as the 'Last Great Bargain of the Orient' the Philippines is also a delight for people who are weary of V.A.T. and inflation.

Manila, especially, is a treasure-trove of shops selling goods at give-away prices.

All of which is tempting in the extreme.

If you've never been to the Philippines we'd like to show it to you in all its splendour.

If you've been and are going back, be it on business or pleasure, why not be our guests.

After all, if history is anything to go by, we're going to be in the islands for a long time to come.

Now it's our turn.



Nine conclude preferential trade accord with Yugoslavia to strengthen its non-aligned status

From Michael Horvath
Brussels, Feb 24

After more than two years of negotiations, the EEC and Yugoslavia have concluded a preferential trade agreement designed to improve Yugoslavia's economic health and to reinforce its ability to defend its non-aligned status against possible Soviet interference.

The agreement is to be initiated tomorrow by Herv Willem Haeckel, the EEC Commissioner for External Affairs, who represents the Nine at the negotiations, and Mr. Stojan Andov, the Yugoslav Minister of Foreign Trade.

The trade and financial provisions of the agreement will run for five years from the date of its entry into force, which may not be for several months because of the need to complete ratification and signature procedures in Yugoslavia and EEC member states.

To underline the political importance the EEC attaches to the agreement, Mr. Roy Jenkins, the President of the European Commission, will visit Belgrade on Thursday for talks with Yugoslav leaders.

The turning point in the negotiations came last month, when EEC foreign ministers took a political decision to break the logjam that had been holding up agreement with the Yugoslavs and instructed their representatives in Brussels to draw up a new and more generous negotiating mandate for the European Commission.

The foreign ministers' haste was explained by a general desire to improve relations with strategically located countries in the aftermath of the Soviet invasion of Afghanistan—Turkey has also benefited from this concern—and by worry over President Tito's illness and fear that his death could lead to a period of instability in Yugoslavia.

It is generally accepted in the EEC that any threat to Yugoslavia after President Tito's death is much less likely to come from direct Soviet military intervention than from Russian exploitation of Yugoslav internal tensions exacerbated by economic weakness.

Yugoslavia depends heavily on trade with Western Europe. It has been struggling to maintain a relatively high level of industrial growth in the teeth of the oil crisis, world economic recession and an increasingly protectionist mood in the European Community.

This has produced a big trade deficit with the West, and particularly with the EEC, which supplies Yugoslavia not only with capital goods and modern technology, but also with some of the raw materials needed by its burgeoning industries. It is estimated that last year Yugoslavia had a trade deficit with the Community of close to £1,500m.

The new agreement will grant Yugoslav industrial exports duty-free entry to the EEC with the exception of a list of just under 30 "sensitive" products, which will remain subject to quantitative limits.

Improved access will also be granted to Yugoslav wine, tobacco and beef.

In addition, the Nine will make \$250m (£108m) available to Yugoslavia over five years in the form of low-interest loans from the European Investment Bank to finance development projects in Yugoslavia and its families in the EEC will also qualify for full social security benefits.

Centrists take an independent line

From Our Own Correspondent
Paris, Feb 24

"The hour of the Centre has come", according to M. Jean Lecanuet, who was deputy president of the Centre des Démocrates Sociaux (CDS) at their third national congress in Strasbourg over the weekend.

With 2,500 delegates, the congress was larger and somewhat livelier than had been expected. M. Lecanuet made it clear that he did not see the role of the CDS as a docile member of the Union pour la Démocratie Française, a coalition which provides the most loyal support for the Government.

Indeed the conference as a whole took a critical view of the Government's performance internationally and deplored the lack of firmness shown by France towards the Soviet intervention in Afghanistan.

One motion was passed in favour of a French boycott of the Moscow Olympics and M. Pierre Bernard-Keimond, junior Foreign Minister, was treated to some catcalls when he rose to speak.

He appeased the delegates, however, when he said that France was not prepared to maintain disarmament wherever cost. "The Soviet Union must show its own attachment to détente, notably in withdrawing its troops from Afghanistan," he said.

The European proposal of neutralizing Afghanistan, he said, left the door open to a solution even if it was "less exciting for the soul and less reassuring for public opinion than a firmer position".

M. Lecanuet said that despite France's reaction to the international situation they must continue to support President Giscard d'Estaing and hope that he would stand for the presidency again next year. In his view the French did not want to vote for a candidate who stood for a party but for one who stood for France. M. Lecanuet was defeated by General de Gaulle in the 1965 election.

At the same time M. Lecanuet defended the continuing existence of the CDS rather than seeing it merged within the UDF. France was not a political party, he said, but a political group, he said, because these tended to fragment.

This led him to the view that his party was the natural one for disaffected Socialists to join, standing as it did to the left of centre of the government parties. In the months to come it seems clear that the CDS will be seeking to pick up the votes of the French Socialists who may have become disillusioned by the continuing squabbles within their party.

Commission in tussle over sales to Russia

From Our Own Correspondent
Brussels, Feb 24

An intriguing constitutional issue, in which the European Commission is being slowly squeezed between the Council of Ministers and the European Parliament, is developing over the issue of exporting surplus EEC butter to Russia.

The unenviable dilemma of Mr. Roy Jenkins, the Commission's president, is that he has been given diametrically opposed instructions on what to do about these butter sales by the other two institutions, each of which expects the Commission to do its bidding to the letter.

Meeting in the aftermath of the Soviet invasion of Afghanistan last month, EEC foreign ministers agreed that, while it would be wrong to increase food exports to the Soviet Union to fill any gap in Russian supplies caused by American sanctions, "traditional trade flows" should none the less be maintained.

That remains the policy of member states. At its last meeting this month, however, the European Parliament voted in favour of a resolution calling for a total ban on subsidized food exports to the Soviet Union, a position totally irreconcilable with that taken by national governments.

The tension inherent in this situation came to the surface last week when the Commission announced arrangements for resuming sales of surplus butter to the Soviet Union under a new tendering system. This will enable Brussels to control the price and volume of exports more closely than usual.

This announcement sent Mr. James Scott-Hopkins, the leader of the Parliament's European Democrats, into a frenzy of indignation. The Commission, he said, had shown total insensitivity to public opinion throughout the EEC. It was intolerable even to consider resuming butter sales to the invaders of Afghanistan.

Many MEPs accept that the Commission is doing what it can about butter exports within the limits set by the Council of Ministers. Others agree with the French and Irish governments that the Commission has exceeded its powers by controlling these exports too strictly.

Under the new tender system EEC exporters can make offers for butter in the Community's surplus stockpiles. The Commission will only sell above a minimum price, though this will be well below the EEC's internal price.

Softer Danish line on EEC sales of NZ butter

From Our Correspondent
Copenhagen, Feb 24

The Danish butter industry accepts the continued presence of New Zealand butter on the British and other EEC markets but is critical of what it sees as excessive competition from the United States and Community butter producers.

Mr. Povl Dalsager, the Danish Minister of Agriculture, said today that although Denmark considered New Zealand as a "friendly" country and did not want to see its butter gradually phased out of the European market as originally planned, it did create problems for the Danes.

"Denmark is prepared to live with the situation, although it does present us with great difficulties", he added.

The softer Danish line on New Zealand butter was also corroborated by Mr. Jens Majaard, chairman of Butterdane, the Danish company responsible for bringing Danish butter to Britain and exporters of 96 per cent of all Danish butter.

With EEC intervention stocks running at 23,000 tons—the equivalent of two months' supply for Europe—Butterdane criticizes the EEC's proposal to give New Zealand a permanent annual fixed quota of 90,000 tons (down from 100,000 tons last year) on the grounds that it is unfair to European producers.

The Brandt Commission's report Monetary reforms are needed

The sixth article on the Brandt Commission report
By Roger Barthoud

The breakdown of the rules guiding international monetary and economic relations (known as the Bretton Woods system) has imposed severe strains, particularly on developing countries and small industrialized countries, the Brandt Commission says in its report.

These countries are buffeted by the unpredictable ups and downs of the main currencies, and have faced new problems in the management of their foreign exchange reserves, foreign debt and debt.

The Bretton Woods system was based on the situation in 1944. A new monetary order is now needed, which takes account of changes since then, no light task since different monetary regimes will benefit nations in different degrees.

The commission believes reform must concentrate on the exchange rate regime; the reserve system (i.e. the international means of payment, liquidity); and the mechanism for adjustments by surplus and deficit countries.

The commission's report says that the "floating" of main currencies makes developing countries uncertain about their real earnings from exports and the real costs of imports. But greater stability can only be achieved if the holders of reserves in national currencies are assured their assets are both secure and accessible.

Reserves come in three forms: gold, foreign exchange, and so-called special drawing rights. For historical reasons, gold has been the most secure form of reserve. For developing countries it has been the most difficult to obtain.

Under the Bretton Woods system, gold was the only form of reserve that could be used to settle international payments. But since the 1950s, gold has been largely replaced by foreign exchange reserves. These are held in national currencies, which are then used to settle international payments.

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Candidates multiply for Elysée election

From Ian Murray
Paris, Feb 24

M. Jean-Marie Le Pen, the leader of the French National Front, hired the Salon de la Forêt in the Bois de Boulogne to launch his election campaign for the French presidency.

The election is due in 15 months time and M. Le Pen is somewhat late into the field. About 10 others have already announced their intention to stand and that is not even counting the dozens of representatives of the main political parties or President Giscard d'Estaing himself.

Since the Fifth Republic came into being the number of candidates has grown with each election. There were six in 1965—the only election so far held after a full seven-year presidential term—seven in 1969 and 13 in 1974. All things being equal 1981 ought to be a bumper year.

But all things are not equal and the consequence is that pretenders from minor parties are already beginning to compete as loudly as possible. What has changed is not the amount of the deposit required by anyone intending to stand. That remains at a modest enough 10,000 francs (£1,080).

What has changed is the number and type of people needed to support a candidature.

In 1974, when President Giscard d'Estaing was elected, any hopeful to enter the field provided he could find 100 good Frenchmen and true to support him, including elected representatives from 10 departments.

Anyone standing now must, however, have at least 500 people prepared to give their written support, including elected representatives from 30 departments or overseas territories. These people will also have to be prepared to allow their names to be published in town halls everywhere when the list of accepted candidates is posted.

This rule makes it extremely difficult for minority groups and newcomers to enter the list and already there is much vociferous complaining going on. Mme. Huguette Bouchard, leader of the extreme left Parti Socialiste Unifié, for example, says it is simply a system by which the political class has given itself the right to choose the "new arrivals".

What is at stake in all this is not really the presidency. Even M. Jean-Claude Delor, who wants to stand as an independent candidate, does not believe that the strong environmental lobby can number much more than 5 per cent of the electorate.

What is at stake is the right to two hours of television time, which the law provides for each candidate. This once-in-seven-year chance for pressure groups of presenting their point of view on the small screen is too good to be missed.

Youths set fire to Aeroflot office in Paris

From Our Own Correspondent
Paris, Feb 24

About 30 youths broke into the offices of Aeroflot, the Soviet airline, in the Champs Elysées just after midnight today and set fire to the building.

The youths, who were protesting against the Soviet intervention in Afghanistan, started a fire with several petrol bombs.

Airline staff later protested that only one policeman without a radio was on guard at the office at the time of the attack. The police had been powerless to prevent the attack, the second on the office since the Soviet intervention in Afghanistan.

Mr Bush is still the favourite

Continued from page 1

George W. Bush still holds the lead in the half hour making radio comments about Mr. Bush to the press.

The debate between Mr. Bush and Mr. Reagan got under way, with each man in turn answering questions from a panel of journalists and from the floor and commenting on each other's answers. Mr. Reagan gave his most impressive performance so far in the campaign. He was angry, bellicose and wide awake.

Mr. Bush was less brilliant, but he, too, reacted vehemently when attacked about alleged irregularities in his campaign for the Senate in Texas in 1970. The Manchester Union Leader, which supports Mr. Reagan, has been claiming that Mr. Bush had received secret contributions made to him by the Nixon White House.

"My record in public life has been one of total honour and integrity", he said with passion.

The latest poll, published today by the Boston Globe, shows Mr. Bush and Mr. Reagan running neck and neck (35 to 34 per cent), with Senator Baker getting 12 per cent, and Mr. Anderson 8 per cent.

It appears that they have both picked up votes from Mr. Bush, while Mr. Reagan's support was steady. The primary is on Tuesday. It will be the first time this year that the electorate will vote directly for the candidates.

No one takes the primary in Puerto Rico seriously (Mr. Bush won by a large majority). In fact, on January 21, voters turned out in such large numbers in party caucuses that the event had many of the characteristics of a proper primary.

Mr. Bush won in Iowa, by a comfortable margin, which made him the favourite to win the Republican nomination. There are similar caucuses in Minnesota on Tuesday. The Republicans will hold a straw poll to see which candidate is the most popular.

For the Democrats, the Boston Globe poll showed President Carter far ahead of Senator Kennedy in New Hampshire (55 per cent to 30 per cent). Mr. Jerry Brown, the Governor of California, is attributed 8 per cent.

If the results of the vote correspond to the poll, Mr. Kennedy may have to abandon his campaign. He could survive a defeat if he put up a decent showing, as he did in the Maine caucuses, where Mr. Carter beat him by three points. A defeat of Iowa proportions (he lost by almost two to one there) could well be fatal.

The shekel makes a poor impression on Israel

From Christopher Walker
Jerusalem, Feb 24

About 4,000 years after being introduced in Babylon as a weight for measuring silver, the shekel reappeared in Israel today as the new, biblically-inspired unit of currency.

It was introduced to replace a psychological flail in the battle against runaway inflation of 116 per cent a year.

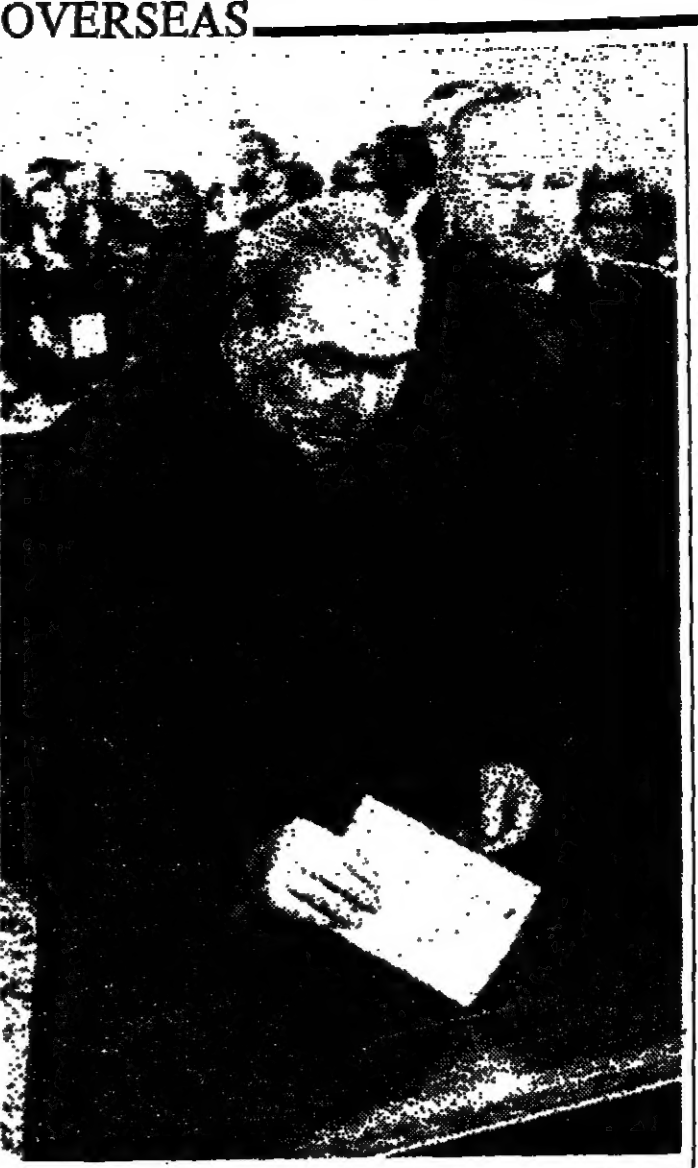
Directed by Mr. Yigael Hurwitz, the Finance Minister, as a return to Israel's roots, the shekel is worth about 11p each. One shekel replaces 10 of the existing Israeli pounds.

A confused public has heard ministers and bankers explain repeatedly that the reform will encourage a new respect for the value of money. But since the unexpected announcement on Friday afternoon, the general reaction has not been encouraging for the authorities.

"I think the name has all the wrong connotations", explained a Jerusalem housewife who arrived ten years ago from South Africa. "All it makes me think about is Shylock's pound of flesh and the type of image that Jews have been trying to shake off for decades."

A cartoon in the Jerusalem Post summed up the general scepticism of citizens whose attitude to money has been coloured by monthly cost-of-living increases of about 9 per cent. "Friday I was overdrawn by 15,000 (Israeli pounds)", says a character with a broad grin on his face. "Today it's only 1,500 shekels."

All weekend Israelis have been converging in their hundreds on the Arab money changers, who operate from cramped kiosks in Jerusalem's old city. Their one aim has been to switch their Israeli pounds into American dollars, pounds sterling or virtually any other currency on offer.



Russia votes: President Brezhnev casting his vote at a Moscow polling station in yesterday's republican Supreme Soviet elections. He was standing in the Communist-led single list of candidates for the Supreme Soviet of the Russian Federation. Voting was also taking place for the Supreme Soviets of the other 14 republics and for the local soviets. The President, who looked frail and walked with assistance, joked with officials at the polling station: "I haven't brought my documents, but you can recognize me by these," he said pointing to his bushy eyebrows.

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Continued from page 1

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Beirut bomb kills daughter of Phalangist commander

Beirut, Feb 24.—Lebanon's Phalangists today mourned the victim of an attempt to assassinate Mr. Bashir Gemayel, their military leader. Mr. Gemayel's daughter, who was killed, was a remote-controlled bomb, but it killed eight people, including his daughter.

An estimated 165 lbs of high explosive in a parked vehicle were detonated as Mr. Gemayel's car passed on a busy road in the mainly Christian eastern part of Beirut yesterday.

Mr. Gemayel was not in the car. But his only child, Maya, aged 18 months, her babysitter, a bodyguard and the driver were killed. Two people in a car travelling behind were also killed and two others wounded. One shekel replaces 10 of the existing Israeli pounds.

The explosion was the third attempt in eight months on the life of a member of the Gemayel family, one of Lebanon's most powerful. It again dashed hopes for reconciliation in Lebanon.

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Mr Nkomo accuses Selous Scouts

From Nicholas Ashford
Gwelo, Feb 24

Mr. Joshua Nkomo, leader of the Patriotic Front (PF), today accused the Selous Scouts of responsibility for a bomb that destroyed a newspaper office here hours before he was due to address the last big rally of his election campaign.

Two people were killed when the bomb went off in the offices of the Roman Catholic newspaper Moyo. Police said the remains of their bodies showed that one was white and the other black.

Father Albert Plangger, the paper's Swiss-born editor, said the explosion occurred at 2.50 this morning. It destroyed the premises on which Moyo is printed and caused serious damage to the building housing the Mambo Press, which produces Catholic publications.

Father Plangger said it was clear that the bomb was meant to stop production of the paper which gives editorial support to Zanu (PF) and the Patriotic Front.

Last month Moyo was ravaged after being burned for several years. This week a forged edition of the paper was circulated in Salisbury which contained a derogatory article about Robert Mugabe, leader of Zanu (PF).

It was the third violent incident to occur in the region during the past week. Last weekend a bomb destroyed the offices of Zanu (PF) in Gwelo. Two days later a Swiss Catholic priest was killed by armed men at the Berea mission south of here.

Despite the bomb, Mr. Nkomo seemed relaxed and confident when he addressed a crowd of 20,000 at a football stadium.

There were cheers from his audience when Mr. Nkomo, speaking in English, declared that the independent republic of Zimbabwe, which would soon be created, would be "a nation of people—not of blacks and whites".

To further applause, Mr. Nkomo urged whites not to leave after independence. "We say," he declared, adding that the war had been fought against an evil system, not against the whites.

Mr. Nkomo's decision to hold his final rally in Gwelo was part of a carefully planned strategy by the Patriotic Front to vote the maximum number of votes in the Midlands province, which straddles the line dividing the country's Ndebele majority from the Shona majority. Mr. Nkomo is himself standing as a candidate in the Midlands and his party hopes to capture at least half of the 12 seats contested in the province.

At a press conference earlier, Mr. Nkomo carefully avoided questions about possible future conflict after the election. He said his party was confident of winning the election.

When asked if he favoured a revival of the former Patriotic Front alliance with Zanu (PF), he replied that it was "for Mr. Mugabe to decide—he was the one who left the Patriotic Front in the first place".

He did not think a white-minority government was likely to bring independence, and if anybody made such an attempt after independence, "we shall look after ourselves". Quoting from an African proverb, he added: "You put your finger in a sheep's mouth and think you will not be bitten, you will be bitten hard."

Muzorewa rally ends with plea for unity

From Dan van der Val
Salisbury, Feb 24

Bishop Abel Muzorewa today made an emotional appeal to the Africans of Southern Rhodesia to forget the past and devote themselves to reconciliation at his last big weekend rally of the UANC party for four days at the climax of its campaign.

Bishop Muzorewa had hoped to see a total of one million people on the site over the four days but even the more cautious hopes of a 200,000 crowd were badly disappointed. This was despite a massive national operation to bring voters to Salisbury from other parts of the country in nine trains and 500 buses.

British election supervisors reported that the UANC Government would turn the country into a one-party state. He added: "We are diametrically opposed in every sense to violence as a means of reaching an objective, no matter what this may be—there is no other alternative."

The four-day meeting was the subject of a complaint to the Rhodesian High Court yesterday by the Zanu (PF) party in chambers issued an injunction against the UANC from raffling six French cars, worth £4,000 each, at the rally. The judges ruled that the raffling was a breach of the electoral act.

Although the judges felt the issue of the food and drink to those attending the rally was also a breach of the Act, since it might corrupt voters, they refused to issue an injunction against that, saying it was too late and suffering would be caused.

He warned voters against the danger of electing a Marxist Government which would turn the country into a one-party state. He added: "We are diametrically opposed in every sense to violence as a means of reaching an objective, no matter what this may be—there is no other alternative."

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U S reporter loses his accreditation

From Our Own Correspondent
Jerusalem, Feb 24

The Israeli Government has withdrawn press credentials from Mr. Dan Ravi, a reporter for the American CBS radio network, who was accused of military censorship by flying to Rome to file a story alleging that Israel exploded a nuclear bomb last September with Soviet African cooperation.

More than 10 years that an Israel-based correspondent has had his official accreditation removed. It is seen as a reflection of the Government's concern at the use of recent occasions when prohibited stories have been first published abroad.

In an announcement today the Government accused Mr. Ravi of having committed a clear and gross violation of military censorship regulations.

It said Israel was a country in a state of war which "compelled it to impose military censorship" to protect the country's security and the lives of its residents.

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OVERSEAS

Thunderous relic of British Raj ready to pull troop train to Khyber Pass

Pakistan relies on a 60-year-old locomotive

From Robert Fisk
Lahore, Feb 24

At 8.30 in the morning, the engine driver, a bristly and mustachioed Pathan with a rope on his head and 18 years' experience with Pakistan State Railways, wiped his forehead with his handkerchief, his 60-year-old steam engine, known as the "oil burner", was ready to pull the oil-lubricated train to the Khyber Pass.

Every schoolboy would love Number 2511. She has six driving wheels, a smokestack with a red band like a top hat, a boiler under constant repair, a squadron of gaskets that leak steam and a footplate that reeks of oil, smoke and freshly-brewed tea.

She makes a noise like thunder and is one of the last living relics of British imperial India.

By an unpleasant coincidence of history, she has also become a vital piece of machinery along Pakistan's nervous western frontier.

For if the Russians ever threaten to enter the Khyber from Afghanistan, the Pakistan army plans to use Number 2511 and her sister locomotive to pull its troops up to the border.

The Ministry of Defence in Islamabad, therefore, pays for the upkeep of the 36 miles of

track and subsidizes Mr Khan's weekly excursions to the fortress of Landi Kotal.

Civil servants' families take advantage of the day's outing to see the first class return of 50p.

Number 2511 stops the grass growing over the permanent way and her attendant lords with their oil cloths and green flags prevent the tribesmen from building their mud-walled houses next to the 18 tunnels which puncture the precipitous cliff-face up the pass.

Number 2511 certainly needs a subsidy. No one seems to buy any tickets, bare-footed farm

second class, a rusty carriage when the train is chugging its way in black smoke through villages, and the footplate quite apart from the boiler which is very important. It is rule that we look at it every year.

"This is also a one-in-33 gradient, the steepest of its kind in the world. The whole line from Jamrud Fort to Landi Kotal is a heavy gradient line

and according to rules we must have a banker train."

Mr Khan leant out of the cab into the high, bright sky above the gorge and pointed to the back of this little train where a 1932 German-built locomotive painted in fading green was gallantly pushing from behind.

"According to railway rules", Mr Khan went on, glancing at the old English pressure gauge, "the banking of the train is most compulsory to stop the train rolling back." It was not the danger of falling backwards down the Khyber Pass that was disturbing, however, but the pressure gauge which never moved from 180, even when the locomotive was idling at Shagal Fort station.

Perhaps it was the steam released by the whistle which prompted this curious phenomenon. Since Mr Khan was constantly forced to tug and broken piece of wire above the firebox which made the engine stall. Buffaloes, goats, sheep, children and old men had a habit of walking over the track just in front of Number 2511 when she was about to enter a tunnel.

As she moved higher up the mountains, a sharp, cold mountain breeze snapped across the footplate. Mr Khan was enthusiastic about his work. "Of course I like driving this train," he shouted, "most of us train drivers in Rawalpindi are allowed to work on this track but..."

But Number 2511 plunged into a tunnel which battered the sound of her engine into our eardrums and smothered the crew in a darkness that was lit only by the flaring oil-burning furnace.

At the tunnel's end, the glorious locomotive performed so sharp a corner above so sheer a precipice of rock hundreds of feet above a spinning river that two drivers and a fireman had to catch the fittings and Mr Khan was a little too busy to remember what he had been talking about.

There were a few down gradients but Number 2511 and her sister had to hammer their way the full 3,000ft up the mountain with little respite. There was, Mr Khan pointed out later with the bleak logic of an engineer, no problem for his engine. She was, after all, an SGS class goods service locomotive: which was baffling but probably true.

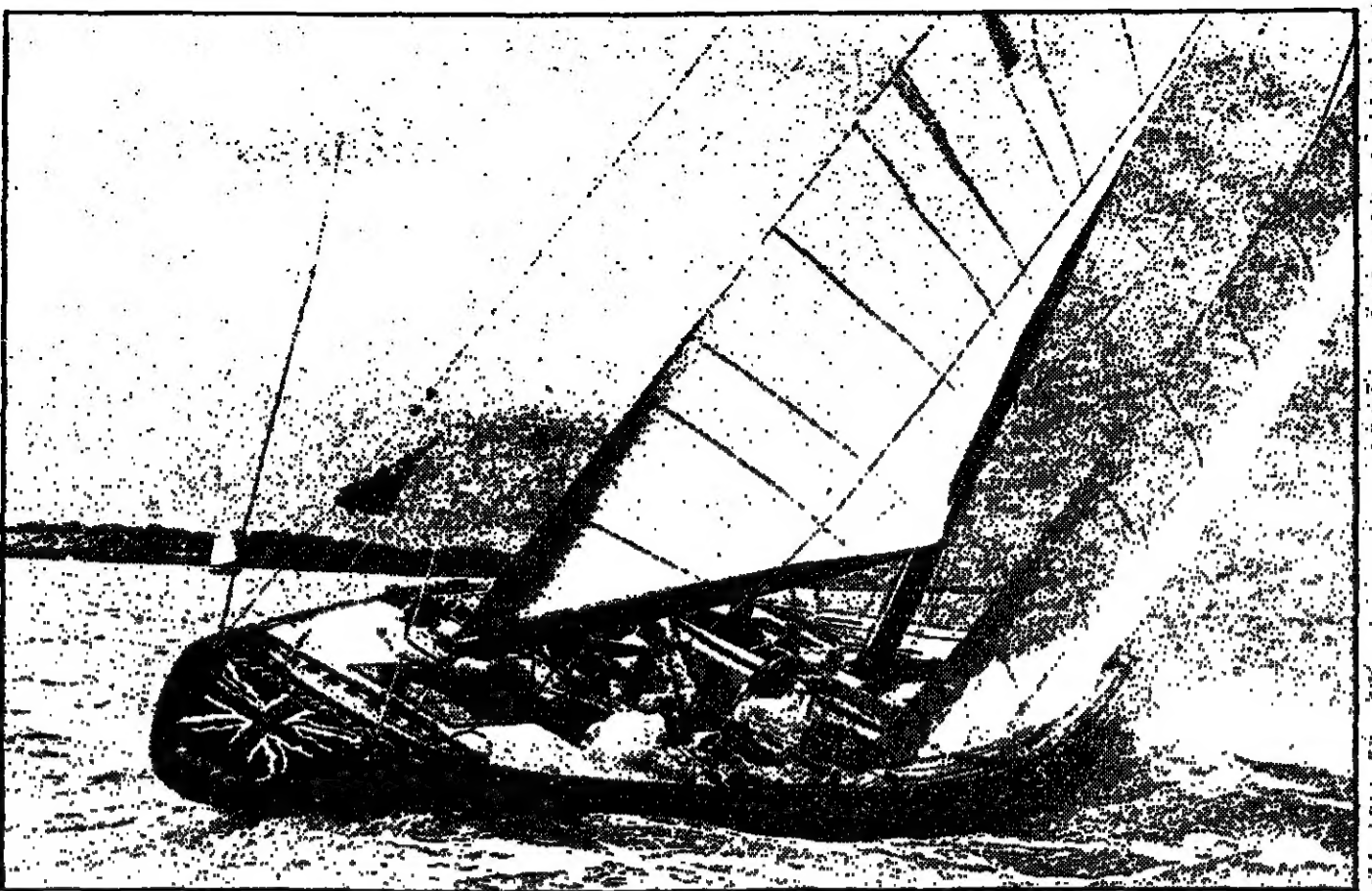
Number 2511 fumed into Landi Kotal three minutes later with the blue mountains of Afghanistan shimmering in the western horizon. She unhooked her two carriages and one truck and shunted about rather aimlessly.

Why did Mr Khan really enjoy driving this great beast? "It is a duty," he replied, "it is a real duty." The British would have thought so too when Number 2511 was pulling the Dorsetshire, the Cheshires and the Prince of Wales' own regiments up to Landi Kotal. Sic gloria non transit.

A Times Profile

The America's Cup

Can the Yanks be taught a lesson?



Lionheart, Britain's hope for the America's Cup: is she a breakthrough?

This time round the fight for the America's Cup will be the best. Those qualities which characterize remarkable sporting contests—a salping of personal and national pride, a certain need, an ache to settle a score—are here in larger form than they have ever been in the 125-year pursuit of yachting's Ashes.

Years of rivalry make this much more than a simple yachting match, a trial of design, gear, skill, guile and experience. The personalities of the cup's questers have always played a colourful part in the drama. And it is the same this time: steadily growing tension and competitive edge are rooted in the determination of successful businessmen, men used to having their own way and still emerging from competitive training. "It's a real duty," he replied, "it is a real duty." The British would have thought so too when Number 2511 was pulling the Dorsetshire, the Cheshires and the Prince of Wales' own regiments up to Landi Kotal. Sic gloria non transit.

For their part, the Americans, who have never lost the cup, are determined that no Limey, Aussie, Frenchman or Swede, will get it now.

During August they will watch closely, and perhaps a shade imperiously, as Lionheart (Britain), France III (France), Sverige (Sweden) and Australia (Australia) fight their way through the eliminating races for the privilege of taking on the Americans in the best-of-seven match for the cup itself off Rhode Island in September.

It will be the twenty-fourth challenge for the vulgar bulbous silver cover the schooner America won in a race around the Isle of Wight in 1851, leaving a bruise on the British ego which throbs still. If Lionheart wins the preliminary races she will be making the eighteenth British challenge.

Tony Boyden, the industrialist and sportsman who paid for the last British challenger (Sovereign, thrashed 4-0 in 1964) has put £200,000 into Lionheart. He is chairman of the British Industry 1500 Club which is raising £800,000 to go for the cup.

Certainly pride and patriotism play their part. But it is also a successful man and I had not failed before.

"But the cup is not an obsession. It is a supreme sporting challenge and it excites me: the only major sporting trophy never won by Britain. The money needed for the challenge is not extravagant at all. It is a challenge to pay £1m for a footballer. The challenge is a contribution to fighting the British disease, the sort of pessimism and cynicism that has followed in the train of our decline. Winning the America's Cup would do as good. It would help us to think well of ourselves."

In the pre-spring chill of next month Lionheart will be re-launched after winter lay-up to begin months of work-up and tuning in the Solent. She is the first 12-metre yacht built in Britain since Sovereign. She was built in aluminium by Joyce of Southampton, is 64ft overall and is a glistering porpoise-black.

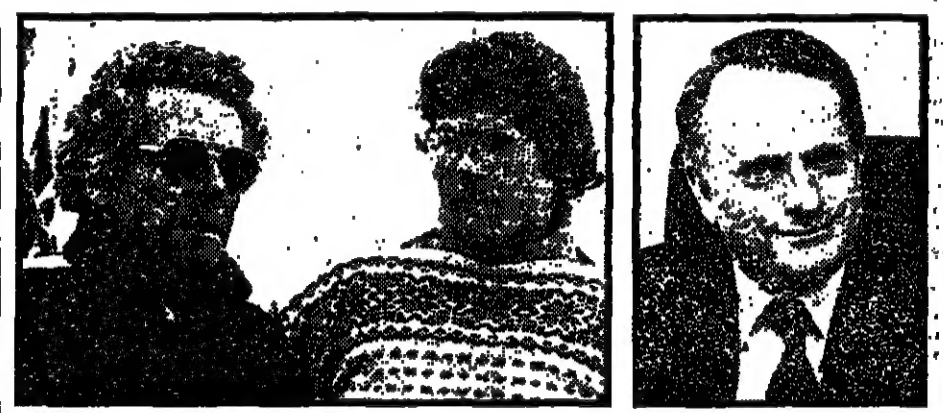
"My lucky colour", John Oakeley, the skipper, said. Most of the dinghies he sailed in a notable career in national and Olympic racing were black. There are no great ropes or tapes in Lionheart and the crew know they must wear nothing green. We cannot take chances."

No British challenge has been better prepared than this. Tony Boyden said: "My mood in 1964 was not one of depression but of amazement at the distance in technology between our yachting industry and the Americans. Before 1964 I was not really America's Cup conscious. But I was keen on 12-metre racing, got into the cup game and was badly beaten. I made up my mind that I would not get involved again until I thought we could win. I wanted to be thorough."

Over the years Boyden and friends kept abreast of 12-metre development, particularly in the United States. They cast around for a designer and chose Ian Howlett, a young Hampshire naval architect, commissioning him to do rank and wind-tunnel research at Southampton University. In some quarters there was surprise at the choice of "a young unknown". Howlett, who is 31, resents the suggestion and says quietly, and with proper professional self-respect: "I think that those who know the business were not surprised."

Howlett examined the lines of many 12-metre and made a careful analysis of American boats. He, Boyden and Oakeley watched the last cup series, in 1977, when the American Courageous beat Australia. And he spent an exhausting year working on and perfecting his design. He does not believe that 12-metre design has reached a peak. "We have come up with a quite different underwater shape and we have a very quick boat."

Lionheart has a particularly fine entry and her shape makes her most seaworthy. She does not have the weight-saving comb now seen on France III and some of the American twelves, but she does have a low and weight-saving bow; and she has one of the highest ballast ratios of any twelve, giving her greater stability for a given sail area.



John Oakeley, Ian Howlett and Tony Boyden: fighting the British disease

"The hull, though, is not everything," the designer acknowledges. "The rig has to be just right. And then there is the human factor."

The rig, the mast and sails, have been wind-tunnel tested and remains Lionheart's secret weapon, something her team want to keep hidden from the Americans as long as possible. "It represents a breakthrough," is all that Oakeley will say about it. But it is presumed that the year will be of the flexible kind pioneered in dinghies in recent years. How well it will work on a 12-metre is a matter of much interest.

As for the human factor, both Boyden and Oakeley recognize that what sharpens both boats and men is long and continuous competitive training. "It's a real duty," he replied, "it is a real duty." The British would have thought so too when Number 2511 was pulling the Dorsetshire, the Cheshires and the Prince of Wales' own regiments up to Landi Kotal. Sic gloria non transit.

Sweden's yacht, Sverige, partly rebuilt, is backed by £600,000 of Swedish business money, and the attempt is led by Pelle Peterson, who, like John Oakeley, is 47 and a former Olympic competitor. Meanwhile, in American waters, four possible defenders, Enterprise, Courageous, Freedom and Independence, are being readied.

In American 12-metre circles there is only one nightmare that jerks men from sleep in the small hours: the scary thought that they could be part of a crew which loses the America's Cup for the first time.

Boyden started in business at 21, taking over a small family company which he sold after 10 years to Spicers for £1,700,000. Since then he has started, or acquired 32 companies, including British Seagull, the outboard engine makers.

Both as businessman and sportsman he has always sought to follow his code of "doing things well" and says "if you sent me to live in the desert in a tent I would try to do it well." He was therefore frustrated by the slow way in which support for the cup has been built up. "I developed," he feared that he and his fellow-backers would not be able "to do it well." Last November the fund was still £300,000 short of target, but the belief now is that the money will be raised.

Through the Friends of Lionheart, scheme people can buy small items for the campaign, like shackets, a length of rope, even a square foot of mainsail. Boyden is impressed and rather touched that money is coming in, in fivers and tensers, from the public.

"People want a part in a British venture. They want us to do well. I know there are people who are cynical about the whole thing. They think 12-metres and the America's Cup are out of context with the age. But I and many others don't. The races help to develop design and equipment which benefit a much wider circle of people; and the challenge is exciting and good for us."

Boyden is a shy man and rarely talks about himself. He is deeply religious, a Christian Scientist, and says his faith governs everything he does in his life. He enjoys his own company and likes to bury himself in his books. Business keeps him in London much of the time, but he has a Queens Anne house near Dorchester, a virtual ruin when he found it 20 years ago, and which he has lovingly restored. "I'm not so much the owner as a steward looking after a beautiful part of our heritage." It houses his antiques and is open to the public. He is Master of the South Dorset Hunt; and he skis, sails, golfs, and sees no reason why, at 48, he should stop zooming down the Cresta Run occasionally.

For him a number of interests, hopes and emotions coincide in the attempt on the America's Cup. There are the design problems, the thinking, the passion, the belief in doing it all well, comradeship and teamwork.

"But I don't want it thought that I'm too serious about it, or tedious. It is a sporting challenge and I am a sportsman. It has something in common with dashing across the countryside on a crisp winter morning—the thrill of the chase."

Trevor Fishlock

Prisoners of conscience



Chile

By Caroline Moorehead

Sonia López was 19 when her husband Juan was arrested in the autumn of 1978. She came to London last week on behalf of the families of 55 political prisoners held in Santiago jail to describe the conditions under which they are being kept and the tortures to which they are subjected.

Only 30 of them have been sentenced; the others have been awaiting trial for up to five years.

"My husband was arrested by the police one evening together with several of his relations, including a boy. He had known it was coming. His brother Sandro, an anthropologist at Santiago University, had gone underground five months earlier and was known to have organized at least one clandestine group of resisters to the regime.

"A law was passed last year making it a crime not to inform on known political activists, even close relations."

"They were all tortured for information about Sandro. My husband was strapped to a metal frame and had electric shocks sent through him. The veins in his arm were split open and bled from the injections they gave him. They spoke of a law which would be passed constantly now from internal injuries.

"The boy was not given electric shocks. He was beaten and shown his mother hanging from the ceiling, while she was told that her son would be tortured unless she talked."

No one talked. They were not in a position to give information, as no one knew where Sandro was.

"My husband has still not been tried. I have been allowed to visit him twice a week, except during a period of 20 days last year when he was held in solitary confinement on bread and water in the dark in a cell one metre by one metre, for having protested that the political prisoners were given no status as such."

"When I go and see him I take him whatever I can: the food inside is often bad, purplish, vegetable peels. When I leave I am stripped, harassed, searched."

Since her husband's arrest, Sonia López has not been allowed to work. She lives on what her family can give her and the little money she gets from selling jewelry her husband makes in jail. The Vicaría de la Solidaridad, the human rights organization of the Roman Catholic church in Chile, has managed to get permission for some of the political prisoners to work.

López is not their real name. Sonia fears that, should she be identified, she will not be allowed back to Chile, and that her husband might be singled out for fresh brutality.

She has come, she says, not simply to describe, but to warn all those interested in the fate of Chilean political prisoners that their situation may worsen at any time.

"Last November there were sudden raids on the homes of anyone with any political interests. Two thousand people were arrested; most were released after being harassed and beaten up."

"Then a mutiny broke out among common criminals in another jail and the Ministry of Defence accused the political prisoners of inciting them. We believe repression is going to get worse."

US warns El Salvador rightists against coup

From Our Own Correspondent
Washington, Feb 24

The United States, which fears that a right-wing coup in El Salvador is imminent, has taken the unusual course of issuing a public warning against any such move.

A State Department spokesman told reporters on Friday that the Administration will cut off aid to any new regime in El Salvador which fails to respect human rights and frustrates much-needed reforms in the country.

El Salvador, which has a population of about 4,300,000, is one of the smallest, poorest and most densely populated nations in the Americas.

The spokesman added that the existing Government, which consists of civilians and members of the armed forces, offers the "best chance" of addressing the economic and social

problems which have long plagued the country. The Government, which has the full backing of Washington, took office last autumn.

In a move to reinforce the Administration's deep concern about the situation in El Salvador, a senior State Department official told reporters later that the American Embassy in San Salvador had been in touch with the leaders of the various groups which were thought to be involved in the projected coup.

Politician killed: The latest victim of El Salvador's violence was Señor Mario Zamora Rivera, the Attorney-General, who was killed by unidentified gunmen in his home in San Salvador. Señor Zamora, a leader of the Christian democratic Party, had been accused by a right-wing organization of being a member of a left-wing extremist group.

Thai opposition musters anti-government votes

From Neil Kelly
Bangkok, Feb 24

Parliamentary opponents of the Thai Government claim they are close to having enough votes to overthrow General Kriangsak Chamanand, the Prime Minister. A vote on a no-confidence motion is expected during a special session of Parliament opening on Friday.

The five main political parties, after forming an alliance to force General Kriangsak from power, said they had 215 certain votes and promises of at least another 20. They need 264 votes to defeat General Kriangsak, who has been Prime Minister since November, 1977.

The alliance, to recapture public confidence, General Kriangsak in a 50-minute broadcast last night promised new measures to stabilise prices and to increase the people's purchasing power, and to raise the price of oil and other fuels.

The rises are already causing extreme hardship and threaten to push Thailand's annual inflation beyond 20 per cent.

General Kriangsak said he had no conflict with General Prem Tinsulanonda, the Army commander in chief and Defence Minister who is regarded as his most likely successor.

In a rare speech about economic policy, General Prem has said that business monopolies and improper distribution of incomes are the main reasons for Thailand's economic problems. He added that the Government should review the oil price rise if the people disagreed with it.

Opposition leaders have said they would accept either General Prem or General Serm Vithayakul, the supreme commander and a Deputy Prime Minister, as head of a new government.

Mr Trudeau to take over as Premier on March 3

Ottawa, Feb 24.—Mr Pierre Trudeau, the Liberal Party leader, has said he will be sworn in as Prime Minister on March 3, two weeks after defeating Mr Joe Clark to regain the office he lost nine months ago.

"We have settled on March 3," Mr Trudeau told reporters as he emerged from an hour-long meeting with Mr Edward Schreyer, the Governor-General, at the medical centre where the head of state is recovering from an operation.

The swearing-in ceremony will take place just under nine months from the date of Mr Clark's swearing-in after defeating Mr Trudeau in the election of May 22 last year.

Mr Trudeau said he was considering rescheduling Parliament by the end of March, but he doubted that there would be enough time for the necessary preparatory work before then. In that case, he would summon the next session of Parliament just after Easter, which falls on April 6.—UPI.

Results of 1980 Canadian Elections

Party	Lib	PC	NPD	SC	Vacant	Total
Total	146	103	32	0	1	282
Newfoundland	5	2	0	0	0	7
Prince Edward Island	2	2	0	0	0	4
Nova Scotia	5	5	0	0	0	10
New Brunswick	73	1	0	0	1	75
Ontario	52	38	5	0	0	95
Manitoba	2	5	7	0	0	14
Saskatchewan	0	21	0	0	0	21
Alberta	0	16	12	0	0	28
British Columbia	0	2	1	0	0	3
Yukon-Northwest	0	2	1	0	0	3

Results of 1979 Canadian Election

Party	Lib	PC	NPD	SC	Vacant	Total
Total	114	136	28	6	0	282
Newfoundland	4	2	1	0	0	7
Prince Edward Island	2	2	1	0	0	5
Nova Scotia	6	4	0	0	0	10
New Brunswick	67	2	0	0	0	75
Quebec	32	57	0	0	0	95
Ontario	2	7	5	0	0	14
Manitoba	0	10	4	0	0	14
Saskatchewan	0	21	0	0	0	21
Alberta	1	18	8	0	0	28
British Columbia	0	2	1	0	0	3
Yukon-Northwest	0	2	1	0	0	3

Key: Lib—Liberal; PC—Progressive Conservative; NPD—New Democratic Party; SC—Social Credit.

Three to die for killing children

Bangui, Feb 24.—A court in the Central African Republic sentenced three men to death last night for their part in killing three children of the deposed Emperor Jean-Bedel Bokassa.

The three, including a former captain in the Imperial Guard Joseph Mokoa, were found guilty of murdering schoolchildren last year.

10,000 see execution

Peking, Feb 24.—A man who had been sentenced to death by his neighbours and their eight-year-old son with an axe was executed in front of 10,000 people near Swatow, South China.

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ALLIANCE PREMIER LEAGUE:
Worcester City v AP Lamingford.
Cup: Semi-final round. Second leg.
Althincham v Barnet.

SOUTHERN LEAGUE: Midland:
Taunton v Bridgnorth. South: Aylesstone
v Folkestone. Shepway, Chelmsford v
Waterlooville.

FA TROPHY: Third round replay:

Michael Church

John Percival

Nicholas Ashford on an election in which everybody has been pointing their finger at everyone else and where the real issues have been largely ignored

Rhodesia: who can cry 'foul' the loudest?

All in all it has been a dismal election campaign. The promises contained in the various party election manifestos that a new fair, non-racial Zimbabwe would rise from the ashes of the old, white-dominated Rhodesia seem almost to have been forgotten. Instead party leaders seem to have been concentrating on who can cry "foul" the loudest.

There has been one overriding issue during this election campaign, and that has been the question of "intimidation." Bishop Abel Muzorewa's UANC has accused its rivals at Mr Robert Mugabe's ZANU (PF), accusing it of maintaining a network of unarmoured guerrillas and mujibas (young assistants) in the tribal trust lands (TTLs) which has prevented other parties from campaigning in those areas. Mr Mugabe has pointed his finger right back at Bishop Muzorewa, alleging that "UANC mujibas" have been forcing people at gunpoint to support the UANC. Mr Joshua Nkomo, leader of the Patriotic Front, has complained (less suddenly than the others) that his party has come under pressure both from its former ally in the Patriotic Front guerrilla alliance and from the auxiliaries.

For their part Rhodesia's temporary British administrators—who are not without their own preferences—have laid most of the blame at Mr Mugabe's door. "You have a situation here where eight black parties are trying to carry out a political campaign and one is conducting a para-military exercise," said one British adviser.

A degree of intimidation was inevitable given Rhodesia's recent history of conflict and the size of the prize which is at stake in this election. In fact the level of violence in much of the country has remained remarkably low. Despite the publicity given to bomb attacks on Salisbury churches and against Mr Mugabe's headquarters, there have been relatively few acts of violence against political leaders—which is perhaps surprising bearing in mind that these leaders were fighting each other just a couple of months ago.

Taken as a whole the intimidation appears to have been psychological rather than physical. On the ZANU (PF) side this has involved propagating the inhuman message that the war will continue unless Mr Mugabe wins. This is a compelling threat for people who are desperate for peace.

As for the UANC, the party has been assisted by the auxiliaries—men with guns, supposedly apolitical members of the security forces, who have often campaigned openly for the UANC. Then there have been "friends" who have distributed tens of thousands of official-looking pamphlets warning people of the dangers of



Voter and campaigner: woman at ZANU rally and Bishop Abel Muzorewa speaking on behalf of his UANC party.

"Socialism Marxism" compared with "true democracy." The party has also benefited from the fact that the country's administrative structure is, if not actually pro-UANC, certainly anti-ZANU (PF).

It is perhaps significant that the cries of "foul" have come largely from the political leaders themselves and not from the electorate. It is as though they realise they are not going to win as many seats as they boasted they would, and are preparing their excuses in advance.

Whether the coming election can be described as being "free and fair", and will be accepted as such by the international community, is another matter.

If measured by the yardstick of a western European election, it can be considered free, but taken in an African context, and particularly the circumstances existing in Rhodesia at the moment, it is probably to say that the result will reasonably

reflect the wishes of the majority of the black population.

But will it stop the war? That is what black Rhodesians want most of all. The answer will lie not so much with the freedom or fairness of the election but with the arithmetic of the result. This cannot be predicted with any accuracy at this stage but it is widely assumed that no party will win an overall majority. This means the first government of Zimbabwe will be a coalition.

With two days to go before polling starts it is still expected that ZANU (PF) will win the largest number of the 80 black seats in the new parliament. However there are signs that support for the party, which reached its peak during the week following Mr Mugabe's triumphal return to Rhodesia, is now beginning to wane.

Mr Mugabe has also not only been active, but alone among the main political leaders has shown some qualities of statesmanship. He has refrained from attacking his rivals in public, and has instead pressed home the message of national unity and reconciliation. This seems

to be winning him considerable support among the country's Shona-speaking majority.

Mr Nkomo is likely to play the key pivotal role in the coalition-making that will take place after the results are known on March 4, and he has already held wide-ranging talks with those parties that are expected to be represented in the new parliament. If Mr Mugabe wins substantially less than 40 seats Mr Nkomo may well try to put together a coalition with the UANC and other black parties in which he would be prime minister. A coalition would almost certainly have the support of the whites.

However if Mr Mugabe wins in excess of 40 seats Mr Nkomo may feel he has no option but to re-join the former Patriotic Front alliance, but this time as junior partner to Mr Mugabe.

This is clearly what Mr Mugabe hopes will happen, and probably a large number of black voters as well who believe such a coalition would represent Ndebele as well as Shona inter-

ests. However it would be opposed by the whites who would either pack their bags and leave or possibly be tempted (in partnership with excluded black parties) to resist it by force.

Any coalition is bound to be an uneasy one, made doubly so by the fact there are still three well-armed and undefeated armies in the country—Mr Nkomo's Zimpri, Mr Mugabe's ZANLA and the Rhodesian SDF forces. What to do with these armies will be the crucial problem during the immediate aftermath of the election.

So far virtually nothing has been done to bring the three armies together, although it is likely that some symbolic attempt at integration may be made before the British leave. While the guerrillas and the security forces are to be brought together, the suspicions developed during years of fighting tending to overshadow any desire for assimilation. The fact that the three armies have refrained from fighting each other during the ceasefire has been largely due to the presence of the Commonwealth monitoring force which has acted as a vital psychological buffer between the rival forces.

But what happens when the monitoring force pulls out? That will be the most dangerous moment of the whole exercise. There are fears that ZANLA will refuse to accept any result that does not leave Mr Mugabe in power. This means the security forces, who are already massively deployed around the country, could once again be ordered to turn their guns on the old enemy.

But equally there are fears that Bishop Muzorewa and the whites will not accept the formation of a government from which they are excluded. The power of the security forces is still formidable and it would be hard for any black leader to refuse to accept a result that leaves Mr Mugabe in power. This means the security forces, who are already massively deployed around the country, could once again be ordered to turn their guns on the old enemy.

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Eric Heffer

The Friedman plan: ready for the bin?

One thing is certain, the Government is in a most unhappy state. To put it mildly, Tory backbenchers are restless, and groups of "dissidents" are springing up all over the place. As one young, highly intelligent Tory backbench MP recently said to me: "The trouble with the Government is that it has taken over No. 10, and it's a national disaster."

The fight between the "progressive" and "reactionary" wings in the Conservative Party is without doubt coming to the boil. The first public disclaimer to be expressed was contained in a letter to Sir Ian Gilmour in the Cambridge Union which in effect totally repudiated the non-interventionist policies of Sir Keith Joseph. The second was more specific, in an unsigned article in *The Observer*, last week, in which the author, identified as "A Conservative" in *The Spectator*, has there been such forthright and open personal attacks on the Tory Party leader.

What I found most apt about *The Observer* article was the description of Tory Government policy as "A Level Economics". It is a charge that can equally be laid at the feet of Professor Friedman, whose influence on Mrs Margaret Thatcher and Sir Keith Joseph has been so powerful. The Friedman economic concepts are like those of Sir Keith Joseph—simplistic nonsense.

In the first programme of the BBC series, *The Power of the Market*, it is astonishing to see Professor Friedman walking around Hongkong with the commentator in the background saying such things as: "The power of the free market has enabled the industrious people of Hongkong to transform what was once a barren wasteland into one of the most thriving and successful places in Asia. Aside from its harbour, the only other important resource of Hongkong is people—over four and a half million of them."

It is Professor Friedman's contention that Hongkong, like America a century ago, is a haven for people who seek freedom in which to develop their abilities. He is obsessed with the economic "success" of Far Eastern countries, and is reported as having said: "Look at Korea, Taiwan, Singapore, Malaysia—all countries with the fastest growing economies in the world, all countries whose economies place a far greater reliance on market forces than on any government controls."

He is equally ignorant of the fact that all of them are either in special circumstances, poor underdeveloped countries, and have been helped through government intervention by the western powers.

The same day, Mr James Prior argued that the Government has the support of ordinary people for the Employment Bill. In this, he has the statistical backing of an opinion poll which shows that for *The Times*, which showed a big majority in favour of the legislation even among trade unionists.

That will be the real battleground for workers' minds. The Employment Act, as it will be in time for the 1980-81 wages round, will be a powerful tool to enforce their pay claims by secondary picketing, blacking, and other industrial action away from the original focus of discontent. At that point workers will be able to perceive a direct connection between their ability to sustain or improve living standards, and the legal/political framework of collective bargaining created by the Government. To the extent that this cannot be made now, or is only dimly perceived, we are still in the phoney war.

Paul Routledge
Labour Editor

Britain have only really got individual and collective freedom because of the interference of the state.

Legislation introduced by Liberal, Labour and subsequently Conservative governments has given them rights which they never ever had and a dignity and decency which they had never known before. It is not a type of Victorian charity that the poor want, the so-called freedom to starve, or live in poverty, but the right to stand on one's feet rather than crawl about on one's knees.

It is often said that the Victorian era was the era of Britain's greatness, the period of Britain's strength, and our present Government leaders seem to look back on this time with a nostalgia bordering on the romantic. It is, however, only since governments began to interfere in economic and other affairs that our people's lives have been transformed.

Despite all the problems, the overwhelming mass of the people live at a level undreamed of at the turn of the century, and that has come about not because of the free market, but because of the growth of the trade unions and legislation brought in by successive governments.

Despite his academic qualifications and Nobel Prize, Professor Friedman is, like Mrs Thatcher's Government, only up to "A" levels in his economic thinking. His theories are so simplistic that one could be forgiven for believing that he looks upon the people as having a mean age of 15 or 16. In a classroom session in the film, he rightly draws attention to the fact that a pencil is the product of co-operative labour and says it can only really be produced by the operation of the free market is so essential, not only to promote productive efficiency, but even more to foster harmony and peace amongst the peoples of the world.

It is such a simple notion that Professor Friedman, the whole point. It is precisely because no one product can be made by one person, that co-operative effort and ownership is required. This was the message of the late Sir Harold Macmillan in his book, *The Middle Way*. It was the theme of Maynard Keynes' economics, it is in reality the only way to survive.

Professor Friedman's type of thinking has been echoed by Sir Keith Joseph, who for a number of years now has been pressing this case, even going so far as to claim that Conservative policies pursued by Tory governments since the war have been pale carbon copies of those developed by Labour governments.

The nice easy solution for Sir Keith Joseph, as well as for Professor Friedman, is for governments to withdraw from economic affairs, let market forces rip and "hey presto" a relatively short space of time.

Alas, after less than one year in office, the theory is going badly wrong for the Tories. Inflation is not coming down, but going up. Unemployment is rising with two million unemployed at the end of the year. The balance of payments is getting worse and high interest rates are not having the desired effect which the Treasury had hoped for.

In my view, therefore, it will not be long before either the Government changes balance drastically or cracks wide open. At that stage, Professor Friedman's ideas will be put where they belong, at the bottom of the waste bin, or perhaps more generously, as old-fashioned curio.

Times Newspapers Ltd, 1980
The author is Labour MP for Liverpool, Walton.

Strikes: the new battleground for workers' minds

Cabinet ministers claim to detect the emergence of a "new mood" among workers opposed to going on strike in support of the political and industrial objectives of their union leaders. Are they right, or is it a false dawn?

On the surface, the recent evidence is overwhelmingly in their favour. Look at the shattering rebuff delivered on Saturday to left wing leaders of the south Wales miners by their members, and the contempt shown by British Leyland car workers for the engineering union's halfhearted call for a strike to reinforce "Red Robbo's" sacked communist shop steward.

The message is apparently clear. Faced with the very real threat of unemployment, coal miners and motor industry workers are suspicious of the militant response of industrial union. Spurred on, no doubt, by a well-publicised argument of the employers that striking will only hasten and increase the toll of redundancies, they are fighting shy of deploying the ultimate strike weapon.

In taking this view, they must also be influenced by the withering experience of state

industry steel workers who have been on the stones for nearly two months with no dispute benefit—and with no end in sight to their increasingly bitter struggle.

The Cabinet has not budged one iota from its insistence that public funding is only available to run down the industry's numbers, not increase the pay of an unnecessarily large work force.

So a political strike against this Government designed to change its industrial policies is a forbidding prospect. That is why the TUC is very reluctant to enter into an all-out confrontation. The clash has come too early in the life of Mrs Thatcher's administration, the battle is not of the general council's choosing, and, in any case, such a conflict offends the traditional orthodoxy of the trade union hierarchy.

Longbridge workers decisively snubbed the idea of a shut-down over their dismissed convenor, the BL workforce as a whole has ignored the warnings of Sir Michael Edwards and follows the advice of the union in a 4 to 1 vote against the company's "survival".

The tentative conclusion must be that workers are taking a leaf out of Lord Draxing's book, and applying their own test of "reasonableness" when their leaders threaten a dispute. If their own living standards are at stake, they are willing to gamble on the outcome of industrial action. But they balk at being asked to hazard income and jobs in pursuit of more nebulous objectives—whether it be an attempt to force changes in government policy, or the defence of the shop steward system.

Furthermore, the willingness of workers to follow their leaders on the issue of pay (as the engineering strikes of last autumn demonstrated) extends even to distant elements of collective bargaining such as minimum rates from which only a minority stand to make substantial gains. Shop floor pressure is still running very strongly, but it is running in the natural channels of wages and conditions rather than in the political directions preferred by some union leaders.

Sir Keith Joseph, Secretary for Industry, is therefore right to hedge his bets on the prospect of a fundamental change of climate in industry. Three days ago, he expressed the hope that "there is a hint of a beginning of a change", adding, "but it is only limited at this stage".

That will be the real battleground for workers' minds. The Employment Act, as it will be in time for the 1980-81 wages round, will be a powerful tool to enforce their pay claims by secondary picketing, blacking, and other industrial action away from the original focus of discontent. At that point workers will be able to perceive a direct connection between their ability to sustain or improve living standards, and the legal/political framework of collective bargaining created by the Government. To the extent that this cannot be made now, or is only dimly perceived, we are still in the phoney war.

Such freedom existed in Britain during the Victorian era. The market forces of the time, there was no National Health Service, no welfare state, no unemployment and sickness benefits, and there was no poverty. The truth is that the working people of

A NOT SO PLACID DIARY

New York
The time comes when every growing child starts asking those embarrassing, unanswerable questions. It came one night last week while I was sprawled on the sofa, watching television with my 10-year-old son in our New York apartment.

He had been looking at a young man and woman, both amazingly small even allowing for the reducing effect of our 15-inch screen, both dressed in what I took to be a stylised version of Ukrainian peasant costume, cavorting prettily on ice.

"Dad", he asked suddenly, "What's an ordinal?" I took a deep breath and stretched myself out to my full length on the sofa.

"My son", I told him with brutal honesty, "I have not the slightest idea."

We were one of millions of families in America in the grip of what it would be misleading to term Lake Placid fever. Lake Placid torpor would describe it better. The British television schedules indicate that you, too, have been subjected to your share of the winter Olympics, but on nothing like the scale we have here.

Ordinals appeared on the score of competitors in the pairs skating. In the final column, it seemed that low ordinals were to be preferred to high ones but the commentators made no effort, at least in my hearing, to explain them.

beyond saying that the scoring system was "incredibly complicated" which did little help. (Nor did it help to consult the dictionary, which declares an ordinal to be a book of forms to be used in the consecration of Bishops).

American sports commentators are short on basic information but high on emotion and dudgeon. The emotion was given full vent when America's best hope for a gold medal in the pairs skating had to cry off because of an injury to Randy Gardner, the male half of the ensemble before.

This was dreadfully disappointing for him and his petite partner, Tai Babilonia, but the story may not have warranted the obsessive treatment it received from the commentators, who were able to talk about scarcely anything else for days. It was discussed as a national tragedy, one more rebuff from the cruel fates who had already dished out to America more than its share of disgrace in Iran and Afghanistan.

The film of Miss Babilonia wiping a tear from her eye as she skated sadly out of the rink was shown time and again. Pairs skating, possibly because of its sexual overtones, is a deeply passionate sport, and I felt I had witnessed similar harrowing scenes before.

The television people were quick to remind me when they showed a film of Irina Rodnina winning the world championship seven years ago as half of a

Soviet pair, only to leave the ice weeping because her partner had died which did little help. (Nor did it help to consult the dictionary, which declares an ordinal to be a book of forms to be used in the consecration of Bishops).

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consciously cheat: it is simply that they know what they like, and what they like are Russian skaters.

Winter sports enthusiasts, apart from venting their emotions with occasional outbursts of booing, do not seem to bear grudges long, and there have been no politically-inspired demonstrations against the Soviet athletes. For the past 10 days the Russian Pairs has seemed a tremendous distance from Lake Placid's Whiteface mountain.

I wonder what effect this will have on the American public's reaction to the country's boycott of the Moscow

Olympics? The boycott seems likely to go ahead, although the United States Olympic committee were careful last week to keep their options open before coming to a formal decision in April.

Viewing figures show that people love these contests, even if they do not understand all of what is going on. By July they may be feeling sore at having to forfeit the excitement for the sake of a moral gesture which by then might seem increasingly pointless.

By a marvellous irony it was against the Russians that the American athletes achieved their greatest triumph last week, when on Friday their ice hockey team, against the odds and, it must be said, against the odds of play, beat on the prospect of a fundamental change of climate in industry. Three days ago, he expressed the hope that "there is a hint of a beginning of a change", adding, "but it is only limited at this stage".

The excitement was uncontainable. One television sports announcer, quite overcome by the immensity of the occasion, called it the greatest American victory since the Second World War. It was all the more welcome to Americans because, except for the speed skating heroics of Eric Heiden, they had not had much to cheer.

Randy Gardner's injured leg was not the only piece of bad luck. Indeed, so often did Americans fall victim to misfortune that the superstitious might suppose the Olympic gods were trying to punish them for their mischief-making over Moscow.

The most blatant example came in the slaloming, when one American jumper made a leap so colossal that he overshoot the safety zone and the whole contest had to be restarted, from a point lower down the slope, and never repeat the trick and finished 17th.

Now 17th is the kind of position in which British competitors long used to being the underdogs, generally finish. For those who take such indicators seriously, could it be that the comparative lack of American success means that America is about to follow Britain into the national decline in the throes of which the pundits tell us we have been for as long as I can remember?

Who knows? In any case, the bigger disgrace for America came not in the events themselves but in the arrangements made for spectators to get to watch them.

When I went up to Lake Placid before Christmas various people there made predictions of alarming things that could go wrong. There might not be enough snow on the ski runs; the ice-making machines might fill the skating arena with carbon monoxide, poisoning the skaters' worst of all, the arena itself might collapse.

None of that happened, but grave foul-ups did occur in areas where few had expected them. The intricate system for getting people to the events by bus from the distant parking

areas proved inoperable on the first day and intending spectators had to wait so long to pick up reserved tickets that they missed the events they had paid to see. I predict a torrid summer of litigation, a bonanza for lawyers.

Other victims had to wait for two hours and more for transport, in temperatures only just above zero degrees Fahrenheit. Several cases of frostbite were reported. The chills finally reached the athletes when some Russian medal-winners did not attend their victory ceremony because nobody told them it was going to take place.

Mr Peter Spurney, the general manager of the organizing committee, gave frequent press conferences during the week, with an unshakable confidence in that things would be all right tomorrow, but they were not. After three days Mr Hugh Carey, governor of the state of New York, declared a partial state of emergency and sent in a reserve battalion of bus drivers.

As it was, the havoc must have destroyed the belief any one there may have had in the fabled American efficiency. The American way of life has tremendous advantages over most others, but as systems and living become more complex, the smooth working of the machinery can less and less be claimed as one of them.

The mess-up at least provoked a funny "good news and bad news" joke. The good news is that the Tehran hostages may

soon be freed. The bad news is that the Lake Placid Olympic Committee are arranging their transport home.

It is a joke, now that the Olympics are over, that the return for our television sport to the presidential election campaign. The contest to gain the highest office in what, despite everything, is still the world's most powerful democracy, now hinges on whether one of the contenders, Mr Ronald Reagan, may or may not be forgiven for telling a joke which cast aspersions on Poles and Italians.

For some, a more significant issue was whether or not the reporter who first broke the "news" should be forgiven for solemnly copying down the text of a story told in a relaxed moment and bringing it to the world. Was this, perhaps taking "war" and "all" journalism too far?

In any case, it keeps us glued to our sets these cold winter evenings and provokes more of these questions. "Dad", he asked, "what's an ethnic joke?"

I fixed myself another slug of bourbon before stretching out to my full length on the sofa.

"My son", I replied, "I think you're old enough now to be told the one about the Englishman, the Irishman and the Scotman..."

Michael Leapman



NO EASY VICTORY

The Soviet Union is not winning in Afghanistan. It is not winning the hearts and minds of the people and it is not winning the military battle against the guerrillas. This does not mean it can never win. If it puts in enough troops and allows them to kill enough people it might achieve an uneasy stability. And if it draws on its post-revolutionary experience of slaughtering and deporting whole nations it might bring about a period of years during which the situation at the moment would be considerably worse than the Soviet leaders expected when they ordered the invasion two months ago. Fighting continues, especially in the eastern parts of the country. The land routes to Jalalabad are largely out of Soviet control. The Afghan army is still suffering significant defections. Closed shops and demonstrations in Kabul testify eloquently to the anti-Soviet feelings of the people. Homes—if there were such homes—that Mr Karmal might wish to see as a friend of Islam must now be in shreds. The same must be true of Soviet hopes that the country could be brought quickly under military control. As more reinforcements pour in the Soviet leaders will now be contemplating the implications of a prolonged struggle.

Does this mean that they are already looking seriously for a way out? Logically it should, for they seem to have made two serious miscalculations. They miscalculated the strength of resistance inside Afghanistan and they miscalculated the reaction of the West and the non-aligned, expecting both to be more verbal and transitory than is so far the case. If they see this now they might be expected to start trying to cut their losses. But even the Americans took several years to face up to defeat in Vietnam, and the elderly Soviet leadership is not quick on its feet. Probably Soviet generals, like their American counterparts in Vietnam, are still arguing that a few hundred thousand more troops will enable them to do the job. Even if they are not, the political system does not facilitate change. The whole Politburo will certainly have endorsed the invasion together, whatever private misgivings may have been felt by some members. They are all responsible and they are all guilty. The enterprise goes wrong. Therefore one can criticise the others without also criticising himself. Nor can anyone outside the Politburo start the critical ball rolling without being quickly sat upon.

At the moment, therefore, the leadership is in the phase of trying to limit the damage and find scapegoats elsewhere. The line is now clear. First, say the Soviets, the trouble in Afghanistan was caused—and is still being caused—by interference from outside. The Americans, Pakistanis, Chinese and others are arming subversive elements. The Soviet Union is merely offering fraternal help to the legitimate Government under the terms of the friendship treaty of December 5, 1978. Secondly, the western reaction is explained

almost entirely by the imperatives of the American election campaign and has no basis in the realities of the situation. Therefore détente can be restored as soon as the West comes to its senses again.

These arguments are thin and are seen by most people to be thin, so they will only do for a while. As the struggle goes on the Kremlin will have to face more questions. Casualty figures will become more widely known among the Soviet people. The economic costs of the enterprise, including the effects of the grain embargo, will be trotted up against the generally poor state of the economy. East European countries will become even more reluctant to raise their contributions to the defence budgets for the sake of overseas adventures (Angola and Ethiopia are still costing money). The Muslim countries will observe the daily killing of Muslims. None of this will necessarily be sufficient to force a change of course in Moscow but it could gradually have one of two effects—either prodding Mr Brezhnev to look for a political bridge across which to retreat or, if the time for a change of leader has come for other reasons, influencing the choice of his successor.

In these circumstances it is important for western policy to remain firm and consistent. Only if the costs of Soviet aggression remain high will the right consequences be drawn in the Kremlin. Unilateral western concessions help hawks not doves by indicating that aggression pays.

where the person concerned is not so familiar. The Press Council's report refers to "the cumulative effect which repeated telephone inquiries made to a household not geared to receive them was likely to have on Professor Bedson". It consequently suggests that where "inquiries may focus such severe pressure as this on an individual" arrangements should be made to lessen the pressure. The council hopes that "universities and other authorities will make such arrangements by, say, the routing of telephone calls and the holding of press conferences in the future".

In principle, this is sensible enough. It must obviously be right to take excessive pressure off any person whenever this can be done. But there are liable to be two practical difficulties. The first is that it is not always easy to tell when a person is under exceptional strain. That is especially true when the pressure of anxiety about a particular crisis or controversy may be even more wearing than the attendant publicity. Secondly, there may be cases where only the principal individual concerned has the technical knowledge to answer the most relevant questions. It was apparently for this reason that Professor Bedson decided of his own volition to take calls himself. The prudent doctrine of the Press Council must not be made a justification for providing that questions will be taken only by press officers who are not equipped to answer them.

places costs in all £140m a year, and adds that he sees no reason why a Community taxpayer should not be spared most of that bill. More to the point, his legal researches suggest that the solution to the problem, contrary to the view held in the old nominated Parliament, lies entirely in the hands of MEPs.

A short recall of post-war Community history may not come amiss. Strasbourg's dominant place in West European affairs derives from Ernest Bevin, the British Foreign Secretary, who saw a city that had been in and out of French and German hands as an apt symbol of European unity that must be the chamber and headquarters of the Council of Europe were built there; and to this day the Parliament's hemicycle and offices belong to the Council of Europe. If only because after direct elections no other chamber was available to take 410 members and their supporting staffs, Luxembourg has now come to be known as the hemicycle that is specifically designed for the Parliament.

But in the early days of the Community when the Assembly or Parliament claimed to be of less importance, the speech had to be distributed fairly wide. Brussels took the Commission; Luxembourg had the Parliament's headquarters, Court of Justice, and European Investment Bank; and Strasbourg provided the parliament building for plenary sessions. In 1965 the Six pronounced formally that Luxembourg, Brussels and Strasbourg shall remain the provisional places of work of the institutions of the Community.

That is still the position. But for years supporters now point out that the Council of Ministers has defaulted on Article 216 of the foundation Treaty. The seat of the Community's institutions shall be fixed by the Governments of the Member States acting in common agreement. "Seat" in the singular, let it be noted.

There is no Treaty reference to provisional working places, and Article 142 of the Treaty allows the Assembly to "adopt its rules of procedure by a vote of the majority of its members" and thereby, argue the lawyers, fix its own single working place in default of a decision by the Council of Ministers.

In spite of the clear words of the Treaty, the governments of the Six

Protecting British agriculture

From Mr Malcolm Hill
Sir, Your leader of February 15 drew attention to the conflict of interests caused by the protection of agriculture: "farmers pulling one way and the consumers and taxpayers pulling another". On account of the import controls and subsidies instituted by the Common Agricultural Policy, the British consumers must pay annually in addition to the cost of their food valued on world market prices (a) a surcharge, representing the excess of EEC prices over world prices, valued at over £1,000m recently and (b) a contribution to the EEC of about the same amount.

Yet the President of the National Farmers' Union has the temerity to suggest (February 19) that the distinction drawn in your leader was "a false distinction". For, he argues, the more the British farmer is encouraged to grow, the greater is the saving to the nation of the cost of imports.

This argument can be tested very simply. Let us suppose that the Government wanted to save the cost of importing pineapples. It could ban further imports and set up some hothouses in the Welsh hills. The Welsh pineapple would cost at least double a real pineapple. But, runs the NFU argument, the cost of importing the real thing is saved. By whom?

Yours faithfully,
MALCOLM HILL,
2A Pembroke Road, W8,
February 20.

Sprucing up hillsides

From Lord Hyton
Sir, The truth of the matter is that many thousands of acres of hill-sides are covered only with bracken. This is unsightly to man and beast and in summer is often impenetrable to walkers. It is looked upon as a weed by farmers, but one that can only be eradicated from steep land at great cost.

Bracken-land will, however, successfully grow a variety of trees. This is where much new planting should start, thus providing immediate employment, shelter, better roads, tracks, and, at a later date, timber.

Yours faithfully,
HYTON,
Amersdown,
Radstock, Bath,
February 22.

Selling arms to Morocco

From Lord Brockway and others
Sir, The Times reported on January 26 that the United States is to sell 50 military aircraft to Morocco, unless Congress votes against the sale within 30 days.

This is the first time that the Americans have openly offered Morocco arms for use against Polisario forces fighting for the independence of Western Sahara. Opposition to the sale has reportedly been expressed by Mr Cyrus Vance, the Secretary of State, Senator George McGovern, Mr Andrew Young, and other Americans; and in Britain by the Liberal Party.

We believe that the sale of arms to Morocco cannot contribute to a peaceful solution of the Saharan conflict. There is now a consensus within the United Nations and within the Organisation of African Unity about what that solution should be: in November the United Nations General Assembly called on Morocco "to put an end to the occupation of the territory of Western Sahara" and referred to Polisario as "representative of the people of Western Sahara".

Will Congress fly in the face of this consensus, or will it respect the principle of self-determination?

Yours faithfully,
FENNELL BROCKWAY,
ANDREW FAULDS,
FRANK HOOLEY,
MATTHEW PARRIS,
CHRISTOPHER PRICE,
WILLIAM WILSON,
Sahara Action Committee,
9 Poland Street, W1.

Future of Inner London schooling

From Mr Martin Lightfoot
Sir, Professor David Smith (Social Focus, February 20) makes a number of very familiar points in favour of breaking up the ILEA. He compares the examination results of ILEA pupils with those from other authorities. He does not say that the 11 plus comparability tests, validated nationally for many years by the National Foundation for Educational Research, have consistently shown that the number of able pupils in ILEA is well below the national level.

He makes a political point about the abolition of the grammar schools, when he must know that the examination results he quotes are the result of the grammar school system and cannot yet be attributed to a fully non-selective system.

He compares the cost of education in inner London with authorities elsewhere, but he does not compare the cost of other services, such as social services administered by the inner London boroughs, which show comparable variations.

He quotes population figures to show that there are education authorities as small as some inner London boroughs, without stopping to question whether those authorities are in a good position to provide the necessary level and quality of service, and without even mentioning the drop in school population, which will effect a reduction of over 40 per cent in inner London secondary schools by the end of this decade.

If there is a case for doing something about the ILEA will have been argued more responsibly than this. There is no doubt that ILEA's constitution is unique, some will say anomalous. However, my own experience of ILEA is not the same as

Professor Smith's: in my observation education is frequently an issue at both borough and GLC elections, and I know from personal experience that the process of consultation with the inner London boroughs on the level of precept can be scrupulous.

Moreover, Professor Smith's proposal that education should be devolved to the boroughs comes at a time when there is widespread realisation that many urgent problems, especially in the inner cities, require bodies with powers to act across local government boundaries, and indeed the Secretary of State for the Environment has recently sought powers to do just that. Can we look forward to Professor Smith mounting the same arguments about London's docklands?

Many people will agree with the Marshall committee, set up by the Conservative-controlled GLC, that for all its faults ILEA should be left alone. If something does need to be done, why does no one propose the most obvious solution? Instead of disruption and expensive disruption, as we know from the abolition of Middlesex—of dividing ILEA up, what is the objection to allowing direct elections to the authority?

Given the nature of inner London, the appreciable amount of travel to school across borough boundaries and the unparalleled provision of higher and further education, devolving education to the inner London boroughs, while dismantling precisely that element of democratic control which it is designed to secure.

Yours faithfully,
MARTIN LIGHTFOOT,
16 de Beauvoir Square, N1,
February 20.

Sex education

From Mr M. W. Wynne
Sir, When sex education is discussed what seems most often to be envisaged is a course of biological instruction and practical advice for boys and girls in school in their early or middle teens, by which time some are in a state of dangerous ignorance and others may already have been substantially misinformed from casual and "vernacular" sources.

In this context the disclosures in *Teach Us This* of February 14 are indeed disquieting. But it would be wrong to identify all sex education with the kind of indoctrination which Mr Butt describes.

What is the best age for sex education to be introduced? For 10 years now the BBC has broadcast annually three television programmes for children aged 8-10 years viewing with their teachers. These programmes, which have a substantial and seemingly satisfied audience, show the development, birth and growth of the young baby in the context of parental care and responsibility. Sexual intercourse is described in a straightforward, not in a "white wedding", nor in a loving relationship and a stable family life are implicit throughout the programmes.

The age of eight plus was chosen by the School Broadcasting Council after research and consultation in the schools, with considerable parent involvement in the piloting stage.

It was observed that children at this age are curious about their growth and development and find babies much more interesting than the sexual behaviour of adults, and I do not know of any evidence that instruction given in this way in early years leads to precocity or an obsession with sex. Rather, it gives children a better understanding of the "sex missionaries" than those who have had no such instruction.

Many parents handle this part of child rearing successfully within the family circle, but others, probably the majority, are either neglectful of this duty or find its performance difficult and embarrassing and are glad of help from the schools at any stage. In many schools excellent instruction is given by teachers with the skill and the temperament to present it effectively.

Parent-teacher cooperation is so important in this field that the pro-

Rugby violence

From Mr J. A. Morgan
Sir, Oh England!

Never before have I attended a match at Twickenham where there was so much ill-will against the "inferior" Welsh.

One tolerates the proportion of ticket holders who seem to have never seen a match before, but on this occasion even they had pre-conceptions. And what did arise? From the press—the overwhelmingly English press.

Having played all my rugby in England, at school and at club level, I deplore the imputations of violence which are the province of national newspapers that the illegality of the game are only practised by Welsh teams. Regularly before an England-Wales game the press can be relied on to pin-point some feature of the Welsh game, in the manner of "When will you stop beating your wife?" A dozen years ago it was lifting in the line-out, which England were still doing last Saturday, and lately Price was accused of being a mere scrum-collapsor by the publicity given to the ill-advised remarks of

Peace groups in Northern Ireland

From Mrs Christopher Ewart-Biggs
Sir, I welcome Mr David Bleakley's letter in your columns today (February 22). He made the point clearly that there is no interruption in the work being done towards creating a climate for peace in Northern Ireland. The members of the Community of the Peace People have differed over method and organization, but there has been no difference of opinion among them as to their objective. They will go on working, individually and collectively, towards peace, as do those many other groups who make up the forces of reason and sanity in Ireland.

Members of the Peace People of England, Scotland and Wales will continue to support such work. Out of its slender resources this organization has already contributed to the Corrymeela and Glenties reconciliation centres, where families of all backgrounds meet together to learn and work together. We support all work which provides cultural, recreational and sporting activities for Northern Ireland's youth. This is our priority since today's stone-throwing child is so easily become tomorrow's killer.

Such work deserves the support of all reasonable people on both sides of the Irish Sea.

Yours faithfully,
JANE EWART-BIGGS,
31 Radnor Walk, S.W.3,
February 22.

A word for the Vikings

From Professor Ian Finlay
Sir, Press and BBC comments on the Viking exhibition at the British Museum have been most interesting. Vikings were not more pirates. Most of us who have lived in areas strongly influenced by them have long realized their virtues, and I recall a day many years ago at Uppsala when Professor Bertil Almqvist, a Swedish archaeologist, told us that his wife and his own culture and progressive people they were.

Any visitor to the exhibition may glimpse—no more than that—their impact on the culture of a people they succeeded upon if he cares to look at the decoration on the museum's ball-shirt from Tipperary, known as the "Bearnan Cullen". The whistled mask on it could have come out of the Oseberg ship-burial.

Yes, to keep the record straight, their reputation for rapine is not entirely a fiction of the monkish chroniclers, as implied by some accounts of the exhibition.

As the most recent writer on the life of St Columba, I have spent much time in examining the Celtic church, the most interesting evidence about which is reflected in its art. Of the Irish metalwork surviving from the eighth century, about half is Viking plunder now in Scandinavian museums. Much has been crushed as rubbish, like the silver hoard from Burskud in Oslo.

The irony of this is that, were it not for the Viking practice of burying loot with the dead, we should know much less about that church which kept the flame of Christianity burning in western Europe and which eventually helped convert the Vikings.

Yours faithfully,
I. FINLAY,
Currie Ridge,
3 Newmill Road,
Edinburgh,
February 18.

Ripeness is all

From the Editor-in-Chief of Which?
Sir, If Mr Levin (February 19) would care to drop in on me one lunchtime, I would explain to him—over a glass of wine and some by now well-matured test samples of Glenlivet 1865 and French Blue—how Which? came to describe the (11) types of cheese in the shops, and the (63) varieties of those types which were found to be reasonably widely available. And I would be happy to promise to put all we write in the test of "Could Mr Levin misunderstand it?" Will this secure the promised glass of cheese with Armagnac?

Yours faithfully,
TIM CRAWLEY-BORVEY,
Editor-in-Chief, Which?
Consumers' Association,
14 Buckingham Street, W.C2,
February 19.

Movable feast?

From Miss Hilary Webb
Sir, The plight of the inhabitants of Finisterre, where starlings are said (report, February 20) to be consuming 30 tons or more a day, is appalling. It is a desperate situation and requires desperate measures, and I would like to offer a possible remedy which, with good will, could solve two problems at once.

How about introducing the birds to a diet of Golden Delicious apples? If they are really hungry they would perhaps not be so particular about what they ate, and might in time even come to enjoy them. And we, for our part, would gladly forgo our right to the crop in such a deserving cause.

Yours faithfully,
HILARY WEBB,
42 Meadows Road,
Cheam,
Surrey,
February 21.

David Wood

Stopping the parliamentary road show

Long before direct elections last June it was predictable, and was indeed predicted, that the European Parliament would soon grow estive about accidents of history and horse-trading that blessed upon it three working places, at great cost, with a risk of inefficiency, and with the certainty of widespread inconvenience to MPs and staff.

Prophecies are being fulfilled. It is now too early to say that the days of the peripatetic Parliament are numbered, but a campaign is under way among parliamentarians to oust the Council of Ministers, which has defaulted on Article 216 of the EEC Treaty, by fixing a single location in the Parliament's own rules of procedure. Leaders of the political groups in Brussels last week also looked at another procedural device for circumventing the council: a grand committee that would, like other parliamentary committees, meet in Brussels rather than Strasbourg of Luxembourg.

Soaring above the butter and milk powder mountains and the wine lakes, nobody needs to be particularly sighted to describe some of the more outrageous Community follies. The parliamentarians are "not it with us in Strasbourg for a week 13 or 14 times in 1980, that administrative staff will work and live 138 miles away in Luxembourg, and that its committee meetings will be held near the 145 miles from Luxembourg, and 283 miles from Strasbourg. Every time the Parliament or its committees are in Strasbourg or Brussels, vans are loaded as for a travelling circus and MPs and staff take to the road.

Alan Tyrrell, QC, the British Conservative for London East, has made himself a considerable expert on this subject. He calculates that travelling between three working

THE TIMES
BUSINESS NEWSSailing orders
for
London's
docklands, P19

Stock markets
FT Ind 454.2
FT Gilt 65.37
Sterling
\$2.2760
Index 72.8
Dollar
Index 86.1
Gold
\$629.5
Money
33 month sterling
171.171
3 month Euro \$16.17
6 month Euro \$16.17

IN BRIEF

Meccano
unions seek
to postpone
closure date

Unions at the Meccano factory in Liverpool are to seek an extension to the closure deadline imposed by Airfix Industries, the parent company. This is the result of a visit last Friday by Mr Neil Gough, who is representing a Canadian consortium which is considering takeover. Mr Gough is due to meet Mr Ralph Erman, the Airfix chairman, early this week.

Airfix is due to take the plant back on Thursday at the end of the 90-day statutory notice, during which the factory has been occupied by the workers. More than 500 of them have accepted redundancy terms.

Stronger watchdogs call

Consumers are captives of the nationalised industries, and consumer councils looking after their interests should be strengthened. Mr Michael Barnes says in the council's annual report, out today. He adds that it would be a tragedy if the review of "quangos" failed to distinguish between those which did an important job and those which might be superfluous.

World Bank bonds

The World Bank said a \$100m (£26m) issue of its 10-year bonds, bearing interest at 5.75 per cent annually, will be offered to the public at 99 per cent of par tomorrow by a Swiss underwriting group headed by Union Bank of Switzerland. The money will be used for loans to developing nations.

Korea SDR link

South Korea's currency, the won, is being linked to the IMF's special drawing rights and will no longer be pegged to the United States dollar. This is a first step towards a floating exchange system involving the currencies of South Korea's major trading partners.

New bank chairman

Signor Giovanni Guidi, managing director of Banco di Roma, has been appointed chairman, in place of Signor Leopoldo Modugno, who resigns. In his own request, Signor Guidi keeps the post of managing director which he will now share with Signor Tommaso Rubbi.

Trinity House order

Trinity House is to place the £3m order for the replacement of its flag ship THV Patricia with Robb Caledon of Dundee after tendering worldwide. The new ship's main job will be servicing the 800 Trinity House buoys around the British coast.

Hospital contract

Taylor Woodrow of Nigeria has won a £28m contract to construct further phases of the Sokoto Teaching Hospital programme, in the north west of the country. The company was awarded the first phase of the contract in 1974.

Exhibitors 30 pc up

Exhibitors are up by 30 per cent at Electrex, the biannual exhibition of the electrical engineering industry, which is expected to attract 30,000 people to the National Exhibition Centre, Birmingham, this week.

Iran uranium stake

Iran plans to keep its stake in the Eurodif uranium enrichment consortium but will not purchase uranium which would have been due to it, Iran, which has a 10 per cent holding, denied that it planned to withdraw from the consortium.

Venezuela oil exports

Venezuela's average daily oil exports in the first six weeks of 1980 were 14 per cent below the pace set in 1979. Exports to February 14 fell to 1.747 million 42-gallon barrels a day from 2.032 million barrels in 1979.

First of 21,000 car men
laid off as Leyland
wrestles with sales slump

By Edward Townsend

A programme of lay-offs and redundancies throughout BL car and component factories began today and will involve about 21,000 workers—almost 18 per cent of the workforce—in the coming weeks.

The action has been forced upon BL by the sharp decline in its market share in January and the glut of unsold cars in dealers' showrooms. It is estimated that stocks of BL cars around the country are now sufficient to meet 16 weeks' demand, against a normal stocking level of 10 weeks.

Today, nearly 13,000 workers will be laid off and 6,500 put on short working time. The peak of the lay-offs will be reached in the first week of March when 14,500 will be idle and 6,900 on short time. The combined total will fall to about 9,000 in the last week of the month.

BL's main aim is to reduce output of Marina, Maxi, Dolomite, Princess and Rover cars. The company said there were an estimated 80,000 vehicles lying unsold at its factories and showrooms.

More layoffs will occur today at the Pressed Steel Fisher plant at Speke, Merseyside, bringing the total without work there to 380, more than a quarter of the workforce. The factory makes bodies for the Dolomite model, production of which is halted at the Canby plant in Coventry.

There could be further layoffs if demand for a particular model did not increase, a Leyland

spokesman said yesterday. "But we are not thinking along those lines at the moment."

Uncertainty over the impact of the dismissal of Mr Derek Robinson, the Leyland boss, was considered the key month in the company's recovery plan.

Under this plan—backed by the Government which is injecting £300m into the company—13 EL plants will be shut, either fully or partly.

The United Kingdom motor component industry is being hit by the downturn in the car market and the subsequent contraction of orders from the big producers, Ford, Vauxhall and Talbot as well as BL are all said to have cut their supply schedules.

Among the worst affected will be the small engineering companies, mostly in the West Midlands, which are heavily dependent on business from the home car manufacturers, particularly BL. Larger component companies have reduced their reliance on BL in recent years and many have expanded or diverted to export markets.

Component makers are facing a further threat because the national steel strike is hitting supplies. Steel supplies are at critical levels in some areas. There have been limited layoffs at some companies, but BL's production cutback is expected to have a much quicker and wider impact.

BL's market share slumped to a record low level of 15 per cent in January. It climbed back to about 18 per cent in the first two weeks of this month and the company is hoping for a per cent of the market in March.

The L2m "Buy British" campaign, which got off to a slow start in January, should improve sales in the latter part of this month. BL said March was considered the key month in the campaign. The total United Kingdom car market this year is expected to decline from last year's record 1.7 million to 1.5 million with some observers forecasting sales as low as 1.3 million.

Against this background, Ford said last week it was planning to maintain its unit sales in the United Kingdom this year which would mean lifting its market share from 28.5 per cent in 1979 to more than 32 per cent. The company hopes to increase domestic output and reduce imports.

Meanwhile, a two-week lay-off for 400 workers at Ford's Halewood, Merseyside plant, ends today. The men, who work on the transmission assembly line, were laid off because of component shortages.

Communists unveil plan for Fiat

Italy's Communist Party, in an unusual initiative towards an individual enterprise, concluded today a three-day meeting devoted to analysing the problems facing the Fiat car company. The meeting was attended by 1,000 and represented an attempt to start a dialogue between Italy's biggest private company and western Europe's largest Communist party.

Party speakers took the line that the company needed neither nationalisation nor workers' communitarianism, but required state support, not for the purposes of enriching the owners, but to enable the group to overcome present and impending problems.

The Fiat management, although invited, did not attend but several company officials were present at the meeting informally as well as local industrialists, politicians from other parties and trade union leaders.

The management came in for criticism from party speakers who stressed the need for improving productivity, rationalisation and decentralisation, greater emphasis on the Mezzogiorno, healthier and safer working conditions and energy saving policies.

All this should happen within the framework of a national plan (of which there is no sign at present) for road transportation. It was argued, Speakers did not oppose collaboration with foreign manufacturers, including the proposed agreement between Alfa Romeo and Nissan of Japan.

The party submitted to the meeting results of a mass re-

search it has conducted into the opinions of Fiat workers, who were asked to reply to 54 questions. The questionnaires have been submitted to nearly 25,000 of the group's 270,000 workers in Italy but results from only 6,454 have come in so far.

These indicate that slightly under half the workforce belong to trade unions. On the question of collaboration with management, 44.4 per cent thought it was a good idea, 23.4 per cent possible and 25.7 per cent impossible. The most common reply to what was their main desire at work was adequate wages and job security (36.5 per cent) followed by a place of work not harmful to health (31 per cent).

The general picture from this research is that violence and extremism is confined to a relatively small minority.

Homes cutback alarms

construction industry

By John Huxley

Construction industry leaders are dismayed by the large cutback in the public housing programme. They believe the cuts announced by Mr Michael Heseltine, Secretary of State for the Environment, could take between £500m and £700m of capital spending from the building programme.

The number of new homes started in the public sector in the coming year is expected to be no more than 60,000. This is 25 per cent down on last year's figure and the worst level since the Second World War.

House-builders already are bracing themselves for another bad year because there is no evidence that a growth in the private sector, where 139,000 homes were started in 1979, will compensate for the sharp decline in the public sector.

Industry leaders find the cuts especially disturbing as they come only two months after the Government committed itself in its public expenditure White Paper to ensure a measure of stability of work.

The National Federation of Building Trades Employers said last night it was "deeply concerned". The cuts would have severe implications both for the industry and for the Govern-

ment's hopes of providing an adequate supply of housing. The National Council of Building Material Producers (BNMP) believes that Mr Heseltine has removed £700m at today's prices from the housing programme.

Mr Richard Hermon, director general of BNMP, said that councils were also likely to have to cut back heavily on rehabilitation work.

Building workers' status: A disturbing picture of a building industry workforce which contains a worryingly high proportion of working wounded by "ick" is painted in a report prepared by the Office of Population Censuses and Surveys.

The report also suggests that the average building worker is poorly paid, lacks training and status, has poor career prospects and is interested in moving into other industries.

Extracts of the report prepared by the census office for the Construction Industry Management Board appear to have been leaked by the trade unions, who begin talks this week on a claim for a wage rise of at least 25 per cent.

The findings of the report—at least in its interim version—will be taken by the unions to add weight to their claim for a substantial improvement in pay and conditions.

Fairey bid backers named as NEB chairman
expresses anger at Hambros involvement

By Philip Robinson

Equity Capital for Industry, the financial institution set up four years ago and backed by about 300 pension funds and insurance companies, is among a dozen investment groups behind the £18.5m bid by Hambros Bank to buy Fairey Holdings from the National Enterprise Board.

Other groups include the Sun Life and Prudential assurance companies, the pension funds of the Coal Board, Imperial Group and BP, the ICPC, and Thompson Clive the West-End financiers.

Meanwhile rumours of discontent are reportedly echoing around the NEB over Hambros's sudden decision to enter the bidding.

Initial reaction to the bank's entrepreneurial offer from Sir Arthur Knight, the NEB chairman, has been cool. He said his board will "consider the offer", but behind the statements is thought to be an angry reaction to what is considered to be an "opportunistic" move by Hambros.

It is understood that Mr Angus Murray, the Fairey chairman who was appointed to the board on behalf of a consortium of a dozen financial institutions, was not consulted by Hambros.

A spokesman for Mr Murray said yesterday that the NEB board had been aware that the consortium was being put together to bid for the whole of Fairey since September 21.

The move to ask Hambros

Govern the stockholders if they could put a number of interested parties together followed the June meeting between the NEB and Hambros Bank. This was to explore the likelihood of refloating Fairey to public ownership as part of the Government's plan of achieving £100m of asset sale within its first year in office.

At that time Hambros said market conditions were not favourable for a flotation and the idea of asking Hore Govett to approach financial institutions in the City was agreed between Mr Murray and Sir Leslie Murphy who was then NEB chairman.

When Sir Leslie resigned from the NEB over the Rolls-Royce issue, Mr Murray went to Sir Arthur Knight, his successor, who endorsed the idea of a syndicate.

On February 15 Mr Murray was approached by Hambros and asked how a bid by Hambros on behalf of a consortium of a dozen financial institutions would be received. Seven days later Hambros launched its bid with the whole-hearted approach of Mr Murray and the Fairey Board.

The spokesman for Mr Murray said: "To say that this Hambros offer came out of the blue is nonsense. The NEB board were aware of what was happening at every stage."

The spokesman said the NEB board had been aware that the consortium was being put together to bid for the whole of Fairey since September 21.

The move to ask Hambros

engineering group which the NEB bought from the receiver for £20m.

If the Hambros bid is successful, it, with two other intermediaries will place the bulk of Fairey's capital with the dozen institutions. They in turn would expect to float Fairey as a public company once again in about two years. Hambros would intend to retain about 10 per cent of the capital of Fairey for its own funds, though whether this stake would include holdings by Hore Govett and Thompson Clive, the other two participants in a placing with the institutions, is unclear at this stage.

While the Hambros move has brought pressure for an early answer since a 28-day completion deadline has been set with the stipulation that during that time no negotiations should take place with any other party, the outcome for Fairey may not be known until April.

Fairey profits in 1978 were £5.2m on sales of £43.5m. Last year's accounts are still in the hands of the auditors. Apart from Hambros, no one has come on with a firm offer for the whole of the group, but great interest has been shown in buying parts of it: Trafalgar House would like to buy the bridge-building business, Dowery has apparently expressed an interest in its aerospace hydraulic interests and NEI (formerly Northern Engineering Industries) could be interested in Fairey's nuclear engineering operations.



Sir Arthur Knight: cool reaction to Hambros offer.

Equity Capital was launched in 1976 under the sponsorship of the Bank of England to meet, in part, criticism that the financial community neglected companies with technical difficulties in raising equity funds.

But its initial attempts to fill that need were marred by the collapse of Bond Worth, its first investment. In December 1978, ECI was given a further two years to prove its usefulness. Its big change of direction was to go out and look for business rather than wait for it to arrive.

Bank union
to negotiate
25 pc claim
nationally

By David Felton

Labour Reporter

Pay negotiations for staff in the main high street banks, which are due to start within the next two weeks, will be considerably simplified by the employers' decision to conduct negotiations at a national level.

Last year's negotiations which were generally described as "chaotic", were conducted with each bank individually and led to enormous problems for the banks, ending with the Banking Insurance and Finance Union (BIFU) taking selective industrial action.

This year's negotiations on pay claims of more than 25 per cent from BIFU and staff associations at three of the main clearing banks will be held nationally, which BIFU yesterday claimed as a victory.

The banks will be coming under increasing pressure to meet the pay claims in full in view of their much higher profits last year. Lloyds Bank was the first to announce its 1979 results at the end of last week, and they showed a 43 per cent increase to a pre-tax profit of £276.6m.

Mr Leif Mills, general secretary of BIFU which has submitted a claim for a 25 per cent increase across the board and an increase of up to 31 per cent for lower paid members, said last night: "The Lloyds results, and others which we expect to be announced shortly, show that the banks can quite easily meet our claim, which we consider is completely justified."

Staff associations at the National Westminster, Lloyds and Barclays banks have submitted a claim which ranges from 20 per cent for lower-paid staff to 28 per cent for the higher clerical grades.

BIFU was concerned that if negotiations were held at a national level, the employers would appear to be recognizing staff associations' negotiating rights at the Midland and Williams and Glyn's banks where BIFU has separate agreements.

The Federation of London Clearing Bank Employers has now made clear, as have management at the two banks, that negotiations will not imply any kind of recognition.

Negotiations with the staff associations and BIFU will be held separately after the breakdown of talks to bring them together in one union.

Expect frequent TV blackouts,
advertising agencies warned

By David Hewson

Advertising agencies were told yesterday to expect "more frequent and more prolonged" blackouts on commercial television as management and unions battled over pay in the 1980s.

The warning follows a report from the D'Arcy-MacManus agency that during last year's 11-week television strikes sales of 96 advertising brands fell by 45 per cent, with the highest spending advertisers being hit the hardest. Some £45m worth of television advertising was cancelled.

The forecast of industrial action came from Mr Michael Townsin, media director of the Young and Rubicam agency. Speaking at the Institute of Practitioners in Advertising conference at Stamford on Avon, he said: "The reason commercial television was vir-

tuously strike-free until last year, was that it paid up, and its substantial profits allowed it to do so."

"But I think it unlikely that the 1980s will see such prolonged periods of industrial peace."

"The reason is that both the substantial increase in the ITV contractors' rental payments to the IBA and the new subscription payments to meet the budget for the fourth channel will place ITV under tremendous financial strain in the 1980s, with the result that they will have to get tougher with the unions."

"And the unions, of course, with the greater expansion of television broadcasting in the 1980s, will be getting stronger. So like the rest of British industry, I fear that we, too, must learn to live with much more frequent and prolonged

industrial action in television."

Mr Ivor Samuels, managing director of the Samuels, Jones, Isaacson, Page agency, agreed that more television strikes were likely. They would have to be met by very fast staff layoffs within the agencies, and a rapid switch of advertising to newspapers. Also agencies needed to negotiate more comprehensive arrangements with their clients which would guarantee revenue during industrial disputes, he said.

According to the D'Arcy report some advertising agencies billing £10m to £20m a year lost permanently 47 per cent of their gross because of last year's dispute.

Larger agencies, in the £20m to £40m range, fared better, recovering 76 per cent of cancelled advertising. But two of the big agencies expect to make no profit during 1979.



The Fokker F29: Japanese may become development and financial partners

Dutch 'lukewarm' on airbus deal

By Arthur Reed

Air Correspondent

Fokker, the Dutch aerospace company, has received a new approach from the European Airbus Industrie consortium for a joint project to develop a 150-seat twinjet airliner.

Officially, Fokker says it is "considering" the proposal; but aviation circles expect the reaction to be lukewarm at best. The Dutch company is well advanced with plans for its own 130-150 seater, the F29, and has high hopes of signing the Japanese as development and financial partners.

Mr Frans Swartouw, chairman of Fokker, has already had

two series of talks with the Japanese during recent visits to Tokyo. He hopes to bring a deal closer when a Japanese delegation comes to Holland in April.

Airbus Industrie—in which France, West Germany and Britain are the major partners, with Holland, Spain and Belgium in minor roles—has also been looking to Japan as a potential partner for a 150-seat aircraft. It has offered the Japanese a 25 per cent share in the 500-seat A300 and the smaller A310, over 400 of which have been sold.

At its new approach to Fokker for the two projects to be merged into one or being seen in Europe as an indication that the consortium is worried that the Dutch company is about to fill one of the few remaining gaps in the world market with its F29.

for about 30 per cent of the project which is expected to cost some £350m to develop.

During their April visit to Toulouse where Airbus Industrie hopes, they cannot fail to be impressed with the production line of the 500-seat A300 and the smaller A310, over 400 of which have been sold.

At its new approach to Fokker for the two projects to be merged into one or being seen in Europe as an indication that the consortium is worried that the Dutch company is about to fill one of the few remaining gaps in the world market with its F29.

Presidential candidates reveal fiscal plans at opening of primaries
Republicans weigh in for the economic debate

Mr Crane wants a return to the gold standard; Mr Connally demands big cuts in tax on savings; Mr Reagan promises sharp income tax reductions.

Change in the contribution to a balanced budget; Mr Dole urges tax cuts to spur capital investment; Mr Anderson calls for new petrol taxes, and Mr Bush supports indexing tax rates to inflation rates.

The election primary season starts tomorrow in New Hampshire and in the Republican camp the voters confront candidates who, at least in the domain of economic affairs, are thoroughly uninspiring. Each of the Republican contenders has devoted considerable time to economic affairs, and Mr John Connally, the burly, tough-talking Texas, was Secretary of the Treasury a few years ago.

Congressman Phillip Crane from Illinois has enjoyed considerable support from some of the most conservative investors on Wall Street. It was hardly a surprise, for example, that he was the guest of honour at a big conference in New York a few months ago attended by many of America's firmest believers in the virtues of gold. Hence it is hardly a surprise that Mr Crane should assert with such vigour that a new gold standard is what America needs.

Mr Crane has scant hope of winning his party's nomination, but Mr Ronald Reagan, the former governor of California, is indeed a contender. In a television debate the other night each of the Republicans had his chance to outline briefly an economic policy. Mr Reagan, striving to be as bold as he used to be in his Hollywood cowboy film days, declared that he would stimulate the economy and avoid unemployment increases. President Carter's policies would add 2 per cent to

the unemployment rate this year and so add \$40,000m to public spending.

Mr George Bush, former Congressman and holder of assorted important government foreign affairs posts, is viewed by some as the Republican most likely to succeed.

Clearly fearful of upsetting anyone, he sits upon the economic fence. He supports balancing the budget, fighting inflation and increasing employment, and favours tax indexation.

Meanwhile, Congressman John Anderson of Illinois is good fun, even though his electoral hopes are negligible. He wants to cut waste in government, balance the budget and deal with energy by imposing a soft petrol tax.

Mr Connally is as hard-hitting as ever and very specific. In just one minute he announced tax incentives to boost savings and a series of specific depreciation schedules

to boost investment.

Far less specific, but essentially in the same camp, is Senator Robert Dole of Kansas. Opinion polls, however, indicate that both Mr Connally and Mr Dole will drop out of the presidential race soon.

Then there is the soft-spoken, pleasant, Senator Howard Baker, the leading Republican in the Senate, and perhaps the only man likely to overtake Mr Bush. The senator from Tennessee articulates much solid common sense, not, for example, the inflationary dangers of indexation and the need for fiscal restraint.

Meanwhile, President Carter sits in his White House fortress, not venturing into the hills of New Hampshire and seemingly pursuing policies even vaguer than those advocated by the Republicans. No wonder Wall Street is so confused.

Frank Vogl

THE THROGMORTON TRUST LIMITED

Extracts from the circulated statement of the Chairman, Mr. M. Elterfield, F.C.A., M.B.C.S.

INVESTMENT POLICY
Investment in small companies remains the long-term objective of the Trust. However, during the year some funds were switched into larger companies which, it was considered, offered more defensive merits against the worsening economic background.

NET ASSET VALUE
The net asset value attributable to one ordinary share of your company, taking prior charges at par, increased by 5.6 per cent from 99.5p to 104.9p, compared with a rise of 3.8 per cent by the Financial Times Actuaries 30 Share Index and a fall of 12.6 per cent by the Financial Times 30 Share Index.

DIVIDENDS
Your directors recommend a total dividend of 5.55p per share for the year (4.875p per share last year).

CAPITAL FOR INDUSTRY LIMITED
Your directors are pleased to announce the recent acquisition by your company of all the investment holdings of Capital For Industry Limited.

FUTURE PROSPECTS
At home, rising rates of inflation and the prospect of recession do not provide the ideal background for a Government to undertake a major reduction of the economy. With the benefits of any success for these policies at least 12 months away, the Government's resolve will be tested in coming months.

Copies of the report may be obtained from the Secretary, 25 MILK STREET, LONDON, EC2V 8JE

THE POUND

	Bank buy	Bank sell		Bank buy	Bank sell
Australia \$	2.12	2.05	Norway Kr	11.58	11.08
Austria Sch	30.20	28.33	Portugal Esc	110.50	104.50
Belgium Fr	69.70	68.20	South Africa R	127.25	150.25
Canada \$	2.58	2.61	Spain Ptas	9.85	9.45
Denmark Kr	12.95	12.40	Sweden Kr	3.94	3.72
Finland Mk	8.94	8.44	Switzerland Fr	2.23	2.27
France F	6.55	9.25	US \$	54.00	50.00
Germany DM	4.19	3.97	Yugoslavia Dnr	54.00	50.00
Greece Dr	101.00	34.99			
Hong Kong \$	11.45	11.45			
India Ru	1.11	1.07			
Japan Yen	1960.00	1870.00			
Netherlands Gld	285.00	551.00			
	4.60	4.37			

Notes for small denomination banknotes only. Bank International Ltd. different rates apply to travellers' cheques and other foreign currency business.

MANAGEMENT

Retail muscle in the US money markets

Sears, Roebuck is the world's largest retailing company, selling billions of pounds worth of general merchandise to tens of millions of people each year. But Sears does not just sell shirts, shoes and shoes, it also sells life, car and property insurance or will give you a short-term loan, or a full mortgage.

Richard W. Sears may have started Sears, back in 1886 selling watches, but today the corporation that carries his name undertakes virtually every type of financial business. In fact, Sears's financial business is more profitable than its retail trade in pots, plates and pianos.

Sears's net income for the fiscal year to the end of January, 1979 was \$921.5m and of this figure insurance, property and other financial services accounted for more than \$300m.

This is by no means an accident. Sears has a clear management objective to diversify into financial fields, take better advantage of the financial environment in which it operates and manage its financial clout. In fact Sears has so many assorted financial bulls up in the air that it is facing new management challenges in coordinating them all.

In terms of taking better advantage of its financial environment the company has been increasingly bypassing the banks. To raise short-term cash it has established its own sub-



Mr. Edward Telling, chairman of Sears, Roebuck: strength of name creates opportunities.

sidary for issuing bonds. Run by 38 people, the subsidiary raises cash directly from banks and corporations.

By undertaking its own market operations Sears saves about one-eighth of 1 per cent on borrowing costs, which might not seem much at first; but then Sears has daily outstanding indebtedness of some \$3,000m.

On the long-term front, Sears has surprised some of its own

bankers by its sophistication in going overseas for cash. It has raised some \$150m in Europe in the Eurodollar market, and another \$96m in Japan. It has insurance companies in Germany and Switzerland and has share listings on Swiss bourses and the London Stock Exchange.

Mr. Jack Kinnaman, vice-chairman of Sears, sees the overseas financing ventures as merely a testing of the waters. More may come, perhaps to support new expansion projects in the financial services area. Sears tried to arrange with Great Universal Stores to sell insurance in Britain but the arrangement fell through. In Japan, Sears is selling its insurance policies through a venture with the Seibu-Seiyu group.

Typical of its plans to take advantage of its marketing skills Sears plans to raise medium-term cash directly from its customers. The company has 26 million credit card customers, and these serve as a base for it to do some experimenting. Mr. Kinnaman says a survey of 5,000 customers suggests that a direct offer of Sears stock would be a big success.

In the next few months Sears will probably move into the securities brokerage business. It will try to sell directly to customers some \$250m of notes with maturities ranging from two to eight years. If the offer-

ing proves a success, then further such offerings might be made. "I do not see us raising more than \$600m by this means in the next few years," says Mr. Kinnaman. He adds that Sears credit cards cannot be used in the stock purchases.

In the insurance field, Sears owns Allstate Insurance, which has sales desks in Sears stores. Allstate had total investments of \$5,800m at the end of the 1978 fiscal year, but because of insurance rules the company cannot directly invest in Sears and help its parent reduce its financing costs. All the same, Allstate does add to Sears's financial muscle.

Sears also owns a group of building societies in California, with assets of roughly \$3,000m. These societies are being reorganised into a group of wholly owned mortgage companies, known as PMI Mortgage, PMI Mortgage Insurance, and Allstate Enterprises Mortgage. Joining this group as well is another Sears subsidiary, Homeart Development, which owns and operates 17 shopping centres and is a partner in eight others.

The new group, to be called Sears Enterprises, had a combined net income in the 1978 financial year of \$67.1m. It is indicative of just how fast this group of financial ventures has grown that the operating income and net income are both six times as great now as they were in 1973.

There is no doubt that Sears is using its retail name to make waves in the wholesale and retail money markets, in insurance and the real estate business. Mr. Edward Telling, chairman of Sears, recently noted that expansion in property directly results from the fact that "the strength of the Sears name, at retail frequently creates development opportunities".

There are still some areas to be covered. Sears once moved into the mutual fund business, but was relieved to get out again. It would not be surprising if before long Sears moves into the capital equipment leasing business, with its marketing power, reputation and financial strength, this seems a most logical development.

However, there is a danger in running too fast in too many financial directions. The consolidating of all the property businesses is perhaps a portent of future management actions. Sears seems to be an highly centralized company in its traditional areas of general merchandise retailing, although the financial ventures seem less strictly integrated and controlled from the world's tallest building, the Sears Tower in Chicago. But there are already some American bankers claiming that Sears is the largest banking organization in the country.

Frank Vogl

LETTERS TO THE EDITOR

A recipe for the survival of BL

From Mr. Geoffrey Robinson, MP for Coventry, North-West (Lab)

Sir, Your leading article on British Leyland ("A new level of crisis" (February 14)) poses the question whether "BL as the group we know today has any future at all" and concludes correctly that it does not. However, there are certain dangerous fallacies and suggestions in your consequential arguments that might be exposed.

First you argue that since the volume car business does not make a proper contribution to profit (whatever that may be), it should be run down rapidly. Secondly, it is not just Austin Morris but Rover Triumph, too, that is in the predicament thanks to a whole series of post-Ryder policy errors.

The rapid run-down you recommend of what would in effect therefore be virtually the entire United Kingdom owned motor-car industry, would be precisely the opposite of what you say is unacceptable: the turning of the Midlands into "an industrial disaster area".

The second fallacy lies in your statement: "Many of the

other parts of the company remain attractive". There are in fact just three significant parts of BL that might conceivably be floated off at attractive prices: Land-Rover, Jaguar and Alvis. But even in these cases the United Kingdom private sector would probably blanch at the level of capital investment needed to survive the growing intensity of international competition. Furthermore, the case for selling off Alvis and Land-Rover, companies heavily dependent on government contracts and key suppliers to our own armed forces, would be difficult to make.

The harsh reality is that whatever happened to these companies we would be left with nearly 90 per cent of the group, including its truck and bus operations, whose future can only be secured by financial backing on a scale and over a period that the private sector, on past performance, is hardly likely to provide.

Because you underestimate this awesomely difficult financial situation, you blithely suggest that BL's board should act as a receiver and preside over the dismemberment of the company and its eventual demise. Such a proposal

betrays a frightening ignorance of the problems of industrial management and of the debilitating effects caused by the inevitable period of prolonged uncertainty.

If the reality of the situation is that a restructuring of BL into more manageable groups with a distinct product coherence is an essential precondition for the improvement of management performance and of industrial relations—a view, incidentally, I have long espoused—then the Government, as owner of 95 per cent of BL, must accept its responsibilities and give effect to it.

In doing so, it should avoid politically motivated and financially unsound attempts to live with BL and realize that the sum of BL's parts will only be greater than the present whole if it is given sufficient and sustained financial backing. Add it is still possible that, once BL ceased to exist as the nation's number one industrial disaster, the Government would be able to stick to such a course.

Yours, etc.
GEOFFREY ROBINSON,
House of Commons,
London SW1A 0AA.
February 15.

Inflation accounting by way of CCA

From Mr. A. J. Merritt and Mr. Allen Sykes

Sir, Anthony Meeson (Letters February 18) repeats the often made criticism of CCA methods that they are not really inflation accounting methods at all. This view is based on a widespread misunderstanding.

All CCA methods set the relevant current costs of earning a given year's income against that year's earnings to calculate annual profit. When comparing such a profit figure with those of previous years, then to be fully meaningful they all need correction to a common purchasing power basis. There is nothing in CCA methods that either prevents this further correction or argues against it. Indeed, we have long urged it.

M. F. G. Scott raises many points in his letter and we shall write to him direct at greater length than is suitable for your columns. We refer him and others interested in our more fully stated views to our December *Accountancy* article and our ED 24 submission now published with all the other submissions.

Our brief comments on his main points are these. In *The Times* article we were primarily concerned with industrial companies (the main category covered by ED 24). These are essentially product-based companies who do not sell their assets as such, but use them to produce the goods and services they sell.

Asset-based companies (property and investment companies, and the like) by contrast do deal in their own assets, so measuring their income is comparatively straightforward.

Rises in their asset values are self-evidently welcome.

For product-based companies, however, the position is quite different. In all circumstances where a consumed asset will be replaced it is right to charge its current cost against income since the asset will restore its owner to his previous position. If replacement costs fall this will give rise to higher future profits unless all of it has to be conceded in price cuts.

Conversely where replacement costs rise particularly when they rise in real terms—the source of so called "holding gains"—and hence the ED24 gearing adjustment—then unless such rises can be passed on in full plus an acceptable profit on the extra funds tied up, future profits will be lower.

Replacement will usually still be justified until of course replacement costs rise to the point where it pays to go out of business rather than replace. In other words, a large enough rise in holding gains can be fatal. In sum, holding gains on productive assets can almost never provide the extra profits assumed in ED24.

The whole rise in oil company shares is not due to their obvious stock appreciation, but is in major part due to the expected continued rise in oil prices, giving rise to higher real margins, and to the constant revaluation of their untapped reserves. All this may be good news for oil companies in at least the short to medium term. It remains bad news for oil consumers which is why it is right for say manufacturing firms holding normal oil fuel stocks not to add the

rise in oil values to their profits.

Yours faithfully,
A. J. MERRITT
ALLEN SYKES
Mallington
The Mount,
Leathhead,
Surrey
February 18.

From Mr. A. R. Clifton
It was refreshing to read the injection of good sense into the inflation accounting debate provided by Messrs Merritt and Sykes (February 11).

Their article exposing the muddled thinking inherent in ED24 was as timely as it was welcome, and it is to be hoped now that the Accounting Standards Committee will address itself to correcting the fundamental weaknesses of its exposure draft, before any attempt is made to embody some of its more dubious principles in a mandatory accounting standard.

If one might be excused for saying so, the inflation accounting debate post-Sandilands has appeared to move further and further away from the underlying strength of economic thought which characterized that document towards the creation of a complicated rule book for converting historic cost accounts piecemeal into a form correct for certain of the effects of inflation. In this process the accounting profession seems to have lost sight of some of the basic principles of the theory of the firm, abandoning economic concepts for the greater delights of gearing adjustments and the like.

Yours faithfully,
ALAN CLIFTON,
9 Bishopsgate,
London EC2N 3AD.
February 12.

Taking the trouble to train top secretaries

The effectiveness of a senior company executive depends to a great extent on the quality of the service he receives from his personal secretary.

It is she who provides him with much of the data on which he bases decisions. She links him between him and his colleagues within the company and with important contacts outside. He relies on her for his itinerary on business trips and often for the planning of his working day, as she controls his appointments diary and sorts through those people who wish to meet her boss. He is often heavily dependent upon her for advice and moral support.

Yet many companies promote their secretaries to the job of personal secretary without any special training. The result is that the girl flounders in her new job during the critical early few weeks that can often destroy her own confidence or lead to her being dismissed for her inability to assist him.

Often, without formal induction training, the personal secretary is thrown in at the deep end and kept so busy that she never has the opportunity to discover what services and facilities exist within the company that could help her to do her job more efficiently.

Mr. John Wilcox-Baker is head of administration at the headquarters of the United Kingdom Atomic Energy Authority's northern division at Risley, Cheshire. When he was the division's group training officer he set up a scheme for training personal secretaries in order to groom them to be effective assistants to senior executives.

"If it were possible," in Mr. Wilcox-Baker's controversial view, "the best way round would be to train someone first as a secretary and only later as a shorthand typist."

Courses are held twice a year by the UKAEA northern division, and they are attended by girls who have made the jump from the typing pool and who are the most likely candidates for top secretarial jobs in the near future.

The courses cover three main themes—the work of the UKAEA as a whole; how the personal secretary can use available facilities within and outside the organization; and the personal role of the top secretary.

Girls who have attended the courses report that the introduction to available services is the aspect of most practical help. This includes visits to the telephone switchboards, to the personnel department, to the reference material that they use in the library and the archives.

There are practical exercises in which the girls are asked to use the reference library to locate information that they are urgently required, and they all express surprise at the wealth of reference material that they previously did not know existed.

They learn short-cuts to essential data—statistics, the names and backgrounds of executives in other industrial organizations, the names of the division's group training officer he set up a scheme for training personal secretaries in order to groom them to be effective assistants to senior executives.

The intricacies of expense account documentation are explained—all bosses are gratified to get their expenses reimbursed without delay, and companies are happy to get advances accounted for accurately and speedily.

Training in the role of the secretary does not ignore the girl's own personality. During the four-day courses, which are attended by up to twelve girls at a time, there are visiting speakers from a school that trains fashion models and from a consultancy specializing in personality development.

Presentations are given not only on dress and make-up, but on such things as the way a secretary's tone of voice influences the person at the other end of the telephone line. There are role-play sessions, in which each girl has to act as host to one of the course organizers and take him or her to lunch.

Perhaps the most sensitive part of the course is the debate on the loyalties of the personal secretary. "Ossie" Osborne, head of training at Risley, says that many girls object to the idea, prevalent in many house-secretary relationships, that the secretary has to be loyal to her boss to the extent even of being dishonest on his behalf. They do not accept that their job should include elaborate covers to hide a boss's failings or backsliding. The Risley course supports this attitude.

It is made clear that the secretary's first loyalty is to the UKAEA, which is the direct employer, and no secretary is to be regarded as an appendage to an executive's private empire.



Secretaries familiarise themselves with reference books in the organization's library.

After attending these courses, many girls feel confident in tackling a new top secretarial job. They also point out that there are valuable spin-offs. The information on the work of the UKAEA as a whole, and the role of nuclear energy within the nation's economy, gives them a much better understanding of the contribution made by their own department.

The courses are usually the only occasion when secretaries can meet their counterparts from other, distant, sites within the northern division, such as Springfields Laboratories at Preston and the laboratories and reactor research station at Dounreay in Scotland. "From then on," says one girl, "communicating with them on the telephone becomes that much more interesting."

A similar course has been run

by the northern division for secretaries who have been in top jobs for some time. It was meeting the other girls in person that was voted the most valuable benefit, for it greatly assisted cooperation between departments once the secretaries of various departments had got to know each other. "It was a nice break," commented one of the girls in a written summary afterwards, "and it helped us in our work."

Sydney Paulden

Insider dealers come face to face with the law

The regulation of insider trading is one of the most emotive areas of company law. There is a school of thought which sees insider trading as a beneficial aspect of the capital market in that exploitation of such information is a valuable method of compensating entrepreneurs for the risks involved. Also, unlike other market manipulation, it can be said to push the market at least some way in the right direction.

Whatever the economic merits of this argument, it is generally felt that for insiders to profit at the expense of others by the use of privileged information is morally wrong. It is also necessary for investors to have confidence that the price of their securities reflects their underlying values in order for the capital market to operate effectively.

It has been felt for some time that legislation is needed in order to produce a state of market egalitarianism, a situation in which owners of securities will be placed in an equal position with the managers of corporations in which they invest. In fact, it is one of the objectives of the European Economic Community, which they invest. In fact, it is one of the objectives of the European Economic Community, which they invest.

Part five of the new Com-

panies Bill contains provisions designed to deal with the basic problem of the Bill's problem of insider trading. That a person who has been knowingly connected with a company within the previous six months cannot deal in securities of that company if he has in possession of unpublished price sensitive information "in relation to those securities."

This unpublished price sensitive information is defined as information of a general nature not generally known to those persons likely to deal in securities of the company and which would materially affect the price of such securities. This definition is extremely narrow in that the Bill stresses that matters of a general nature are not included. Such matters can be useful in predicting future developments to people with sufficient knowledge of a company's activities.

The definition of a "connected person" is also liable to cause difficulties in that it includes directors, officers of the company or others in a business or professional relationship which might give them access to price sensitive information, professional advisers could be connected persons in relation to one transaction although not in relation to another.

As in the case of price sensitive information, knowledge of one area of the company's business can frequently lead to educated guesses relating to future activities.

Some people are given exemptions from the provisions of the Bill, particularly those who are acting in the ordinary course of business, such as jobbers, or others acting in good faith such as receivers or trustees in bankruptcy. Furthermore, if a person enters into a transaction with a motive other than to make a profit, he will not be liable to deal in securities of the company through the use of inside information, he will be exonerated.

Where, however, a person is caught by the provisions of the Bill, provisions have been made to prevent him from acting through another person to deal in such securities or from communicating information to another person whom he has reason to believe would make use of it. Penalties for breach include a fine and up to two years imprisonment.

These provisions fall far short of equivalent legislation in the United States where the draconian measures adopted by the Securities and Exchange Commission have done a great deal to prevent the abuse of insider information.

In the United Kingdom Bill there is no specific redress for

either the company or an outsider who suffers loss as a result of such transactions. The United States, any profit made by a director on a sale and purchase transaction taking place within six months can be recovered automatically by the company and it is unnecessary to prove that any damage has been suffered.

Further, the notorious rules of the Sec provide that insiders, and even their tipsters, shall be liable to outsiders for damages suffered as a result of dealings in a company's securities. One of the main reasons for the lack of legislation in this area is the difficulty of matching buyer and seller in the securities system operated by the London Stock Exchange.

Also the contingency fee system which operates in the United States has been a great source of development of law. Under this system, a lawyer will take as his fee a proportion of the damage if the case is successful. Although this can be seen as a deterrent to the notorious over-litigation for which the United States courts are famous, it has been shown to be of great value in obtaining satisfaction both for shareholders and companies in cases of abuse of insider information.

Clare Watson

CHECKLIST

Tax certificates: rate of interest on certificates applied in payment of tax to rise to 18 per cent today. Rate on deposits withdrawn for cash to be 13 per cent.

Prudential Assurance v Newnam Industries and Others: High Court decided directors can be sued by shareholders if they have de facto control of a company, even if they do not have voting control. *Prudential Assurance v Newnam Industries and Others* (1979) 1 WLR 1316. *Prudential Assurance v Newnam Industries and Others* (1979) 1 WLR 1316. *Prudential Assurance v Newnam Industries and Others* (1979) 1 WLR 1316.

Capon v Rees Motors: Employment Appeal Tribunal held that a 52-week period of continuous employment can bring a claim for unfair dismissal, has effect for anyone dismissed after October 1, 1979.

Robinson (Inspector of Taxes) v Scott Bader Co Ltd: a British parent company, seconding an employee to work for an overseas subsidiary to further its European business, is entitled to deduct the expenses from its profits for corporation tax purposes. *Robinson (Inspector of Taxes) v Scott Bader Co Ltd* (1979) 1 WLR 1316. *Robinson (Inspector of Taxes) v Scott Bader Co Ltd* (1979) 1 WLR 1316.

deduction against income tax. *British Overseas Trade Board*: charges for marketing services to rise by an average 20 per cent next year. *FAYE procedures*: employees starting jobs are to be subject to new procedures in respect of P45 and P46 forms. The procedures are to be introduced during 1980, and the Inland Revenue intend to implement them fully by April 6, 1981.

World Leasing Yearbook 1980: a mighty tome, articles on general and specific aspects of leasing in individual countries, and accompanying details of national associations, lessors, consultants, and specialists. Also contains a glossary of terms. Very useful. Published by Hawkins Publishers Ltd, Stanfield House, 32 Church Street, Coggeshall, Essex. *Tax Planning*: fifty four sec-

tions, ranging from accounting dates through employee benefits and sale and leaseback to working wives, contributed by specialists in their fields. Heavy reading, but clear, and a good index. From Tolley Publishing Co Ltd, 102/104 High Street, Croydon, E12 5D (until March 31), £15 thereafter.

Manufacturing: an introduction for accountants. Covers, briefly, as such as the organization of factories, product specification, the control of work, production planning and control. Obviously written for those with a serious intention of improving themselves in the field. Looked forward to with interest. From Institute of Chartered Accountants of England and Wales, Publications Department, Chartered Accountants Hall, Moorgate Place, London EC2 2JF (£3.95).

Lloyds Bank Limited

Lloyds Bank Group Results 1979

Under historical cost accounting:

Pre-tax profit: £277m – up 49%
Retained profit: £162m – up 49%

Under current cost accounting:

Pre-tax profit: £170m – up 28%
Retained profit: £52m – down 8%

Balance sheet total: £17,459m – up 18%
Share capital & reserves: £1,216m – up 16%



Lloyds Bank Group

BY THE FINANCIAL EDITOR

Lessons from the liquidity squeeze ahead of Budget

The Bank of England has as everyone must be aware by now, been playing an extremely delicate game in financial markets over recent weeks. It has had to ensure that the monetary system did not grind to a halt for lack of liquidity; and it has been trying to prevent any further rise in bank base rates.

At this point the Bank must be just about halfway round the board and, though it is probably reasonably optimistic about completing the second half of the course without serious damage, it would certainly not dispute that each successive move must now depend on the circumstances ruling at the time.

However the general situation develops, there are a number of points worth making ahead of the consultative document on monetary reform and the Budget. Over and above the old chestnut of the obvious lessons to be learnt on the need for physical and monetary consistency, and the need to allow adequate real interest rates in good time, it is quite clear that the general financial planning of the present monetary year has not made life particularly easy for anyone.

To arrive in the final quarter with the Government projecting an (unadjusted) public sector surplus for the three months of more than £2,000m and yet still needing to sell debt relatively heavily is obviously something of a nonsense. There are of course excuses for this.

The Government came in to office only in May, yet still jumped straight into a radical fiscal strategy. It needed time to plan the sale of assets; the Post Office dispute severely distorted the flow of funds; and the Government had to jam substantial corrective action against a full year PSBR overshoot into the last few weeks of the year.

All that is as may be. What I am saying is that it should be possible to plan things rather better for next time round. That said, the Government is never likely to be able to plan the perfect financial year.

Short-term forecasting is a hazardous business at the best of times, and it may be that public sector asset (as opposed to debt) falls may sometimes have to be timed to fit in with considerations other than flow of funds management.

The Government has, however consistently been pressed to do something about a debt marketing system under which it relies heavily on the gilt-edged market and suffers (under the tap system) considerable uncertainty as to the timing of receipts. If a tender system is unacceptable there, must at least be a strong case for seeing that the tap system is made to work with more flexibility and greater efficiency.

The second point concerns the apparent fashion for using the present situation to argue that a monetary base system would only have made the present problem far worse. There may well be problems attaching to a monetary base system, but it does seem wrong to be so instantly dismissive of it.

First it is ridiculous to argue that a monetary base system has to be so rigid that it could not have coped with recent events without dire consequences. The other side of this particular coin is that if the Bank of England had chosen to be totally inflexible under the present rules—and it could theoretically have chosen to be—the results would have been horrific.

The more important point however is that a monetary base system could have allowed for the provision of adequate banking reserves in a far more natural way than under the present system. It could have avoided the distortions in relative interest rates that have now finished up putting upward pressure on the level of interest rates in general.

Composite insurers

Braced for lower profits

Results season for the composite insurers which kicks off this week with results from Commercial Union on Tuesday, promises to

be a woeful affair. But as might be expected in one of the most heavily researched market sectors, share ratings are well-braced for significantly lower profits from the major groups with the exception of Eagle Star and possibly Guardian Royal Exchange.

Among the three big United States-oriented composites only General Accident is expected to turn in anything approaching last year's £90.1m pre-tax while falls of 17 per cent to £127m and 7 per cent to £134m seem on the cards for Royal Insurance and Commercial Union respectively.

The market's interest, however, will centre on prospects for profit recovery based on individual company's ability to beat the general downturn in United States returns. Given the worsening conditions in American business this could be like looking for puddles in a drought, but at least the consensus view is that the current downswing in the United States insurance cycle is likely to be nothing like so severe as in 1974-75.

There are sound reasons why the nadir of this downturn is likely to be less deep possibly reaching a worst operating ratio—claims and expenses compared against premiums—of 106 per cent in early 1981 against the near-devastating 126 per cent level of 1974.

The economic background is brighter, for one thing, while the industry's solvency ratios, averaging perhaps 45 per cent, are generally a good deal lower than the industry figure of over 60 per cent in 1973 and should therefore restrain competition from going too far.

But like it or not, the British companies have already moved well into the dangerous game of "writing for income"—taking underwriting losses and relying on investment to provide earnings growth. With interest rates at current levels and American memory of the last great shake out still fading there is just the slight danger that competitive influences could once again see underwriting losses spiralling out of control.



Mr. Daniel Meinertzhagen and Sir Francis Sandilands, chairmen respectively of Royal Insurance and Commercial Union.

In this respect recent moves by British groups do not inspire complete confidence. Royal shipped out £60m to the United States in 1978 to support business and CU transferred a similar sum last year to back expansion of the kind which might cause shudders to those who recall the drastic plunge into loss in 1975. To be fair to CU current expansion in auto business is based on much sounder principles than the last crippling crash forward, but the market will want to see concrete evidence before it gives CU full benefit of the doubt.

Assuming that things do not go badly awry current investment returns should ensure earnings growth of between 10 and 15 per cent in the current year, while prospects for dividend increases of over 10 per cent over the next two years could lead to buying in anticipation of a recovery in underwriting in late 1981.

Despite the income attractions of yields of between 8 and 10 per cent there are, however, just sufficient nagging doubts, even discounting the possibility of climatic catastrophes—of which the California floods are not significant—to encourage caution in investment.

Two leading economists question the theory underlying the Government's policies

Monetarism: why Mrs Thatcher should beware

The Government's economic policies are now based on monetarist doctrine. Monetarist economists (for example, Prof. Minford in *The Times*, February 4) are claiming to have achieved an economic counter-revolution, meaning a revolution in our understanding of how the economy works. Yet few people seem to know what is the precise nature of the claim or what are the objections to it.

This is not satisfactory. If there is the possibility of a flaw in the theory on which the Government's policies are based, it is better that it should be aired and recognized than that the Government should ride blindly into a crisis and adopt an ill-prepared alternative.

There are three points to consider. First, what precisely is the claim made by the monetarists? Secondly, what is its theoretical basis? Third, is the theory supported by evidence?

The monetarists' position is commonly stated by reference to demand and supply in the market for labour: firms will employ more labour the lower the real wage relative to prices, i.e. the lower the "real wage". On the other hand, workers will offer more labour the higher the real wage.

Hence there is a value for the real wage at which demand and supply are matched: everyone who wants a job at the going real wage will then be able to find one, apart from those who are searching for jobs and are not yet matched with them. Output will be limited by the full use of the labour force and the level of productivity in the economy; and unemployment will be at its "natural" rate.

In a period of inflation, monetary restriction, it is asserted, will retard the general price level but will temporarily cause each employer to think (wrongly) that he faces a fall in the relative price of his product and that will cause him to offer, in some combination, a smaller wage increase and less employment than before.

Workers, for their part, believing that the smaller money wage increase represents a lower real wage, will offer less labour. So voluntary unemployment may temporarily rise above the "natural"

rate. But soon employers and workers will discover that all prices have slowed down; so employers will offer more employment; and workers, discovering that the real wage has not fallen, will offer more labour and will succeed in getting more work until voluntary unemployment falls again to the natural rate. Conversely, for monetary expansion. In this world, it is impossible for anyone to be involuntarily unemployed, meaning unable to find a job at the going wage after searching for one.

This claim, though focused on the labour market, implies that, regardless of any changes in demand relative to supply, prices and quantities exchanged in all the markets for different goods and services, as well as the markets for labour and finance, will change in such a way that total output in the economy as a whole will tend to the level which is the counterpart of the "natural" level of unemployment. Monetarists commonly take this for granted or assert it, without offering any theoretical justification.

Equilibrium

If one seeks a theoretical justification one is referred to the theoretical system of the nineteenth century mathematical economist Walras, who explored the condition, under which it is true to say that demand and supply in all the markets which compose an economy will come into balance ("equilibrium") at a level and pattern of output that cannot be bettered, given the tastes and assets (including the innate skills) of all its members.

To quote Professor Milton Friedman, the natural rate of unemployment "is the level that would be ground out by the Walrasian system of general equilibrium equations, provided there is embedded in them the actual structural characteristics of the labour and commodity markets, including market imperfections."

In the past decade, Walrasian equilibrium economics has been the subject of much study and refinement by mathematical economists. In the light of their work, Professor Friedman's appeal to Wal-

rasian economics to support his position does not stand up. To understand why, it is necessary to consider two distinct questions.

The first one is quite abstract and is of the following form. In a world in which every enterprise or other economic unit is so small that it takes as given the price at which it can buy or sell, can we find a particular set of prices (including wages) such that, if they ruled, the self-interest actions of everyone would be mutually compatible and produce equilibrium?

The answer to this question is "yes", but only provided very strong assumptions are made: for example, the absence of significant economies of scale and the supposition that no one can profitably affect the price at which he buys or sells.

Moreover, in order to accommodate the existence of time and the uncertainty about the future which goes with it, one must either suppose that there are many more future markets and insurance markets than is in fact the case, or suppose that people can foresee the future with such accuracy that nothing surprising can occur. Implicitly the monetarists always adopt these assumptions.

The second question is quite different. Given any initial set of prices, will market forces drive them towards values that ensure equilibrium? To this question, absolutely no satisfactory theoretical answer is available; any trained economist can construct examples with a negative answer. Moreover, the theorist is in a logical difficulty.

Having decided that economic units are so small that they cannot affect prices, he is hard put to it to find any means by which prices actually change. As a way out, a fictitious "auctioneer" has to be introduced into all markets; the whole economy, including the labour market, has to be assumed to resemble a traditional "wheat market" or Sotheby's—and further assumptions have to be introduced.

In the theory, the auctioneer always lowers prices in markets where there is excess supply and raises them in markets where there is excess demand. But, in reality, there is no auc-

tioneer; and when actual firms and traders change prices, they may not behave like the theoretical auctioneer: for if at the going price they cannot sell as much as they want, it is not always profitable to lower the price.

The auctioneer is abandoned and it is assumed that prices (and wages) are influenced by the actions of firms and trade unions, a new equilibrium concept emerges which is much closer to Keynes. It can be defined as follows: it is a set of prices, and a set of quantities which can all be sold and bought at those prices, such that no one sees an advantage in price changes and everyone's plans are compatible. In this state, there can be no involuntary unemployment. The question whether an economy tends to such an equilibrium rather than displaying instability is unanswered.

Thus, even if the economy tends to an equilibrium, it need not be the Walrasian one where there is no involuntary unemployment.

Imperfections

It should be noted that Professor Friedman's appeal to a Walrasian equilibrium, quoted above, is flawed. He implies that such an equilibrium will emerge from actual labour and commodity markets, with all their imperfections. Yet imperfections are precisely deviations from the conditions necessary for the attainment of that equilibrium.

There is abundant evidence that firms fix prices by adding a mark-up to their normal costs; and that they respond to variations in the demand for their products mainly by changing their output and the number of workers they employ, not the prices they charge or the wages they pay.

The same is broadly true of distribution, banking, insurance and many other services. The difference between the conditions in the real world and those in the Walrasian model is sharply brought into focus by asking the following question: would a typical British firm or shop be willing to sell more at the present price if the demand were there? Walrasian equilibrium, and hence the mone-

tarists' doctrine, require that the answer be no. Manifestly, the right answer is yes.

Flexible prices, with or without auctions, are to be found in the market for financial assets (that is, the stock market) and the markets for raw materials, foodstuffs and fuels. But the instability of free markets has proved to be so disruptive that, increasingly, there is regulation by official intervention.

Even where there is an auction and there are many small producers, the conditions required by Walrasian economics and the monetarists are not necessarily fulfilled. For if stocks are substantial relative to the flow through a market and it is dominated by speculative transactions, there is no guarantee that the price will move to a level which equates the flows of demand and supply.

As for the labour market, it is clear that wages are set by bargaining between trade unions and employers, not by anything resembling an auction; and that unemployment can occur—and is occurring now—because workers, though willing, are unable to get a job at the going wage; it is not caused just by workers (other than those changing jobs) refusing to take jobs that are on offer because they believe that the real wage is too low.

There are neither theoretical foundations nor empirical support for the monetarists' proposition that the real economy is self-regulating and that activity and employment can be relied upon to recover automatically from the present fiscal and monetary squeeze.

It is not our purpose to propound or debate alternative policies here. Indeed we have held different opinions about policy in the past and might well do so again were we to debate it now. Our common concern is that the Government's policy, as well as analysis and debate of alternatives, should not be based on a misleading notion of how the economy works.

Frank Hahn

Robert Neil

The authors are both professors of Economics at the University of Cambridge.

John Huxley

Breathing new life into Quarry Bank

Few textile companies either side of the Pennines can match the ambitious development programme embarked upon recently by Quarry Bank Mill, at Sial, Cheshire.

While the industry continues to contract—400 cotton mills have closed over the past 10 years—Quarry Bank is being renovated. Water courses are being excavated, machinery is being installed and, later, a new team of spinners will fill the galleries.

Regrettably perhaps, the efforts of Mr David Sekers, who runs it, are directed not towards a restoration of King Cotton so much as a celebration of one of his most famous and successful courtiers, Samuel Greg. Quarry Bank is, in the words of a Chinese visitor, a "museum of capitalism". Eventually, it will tell an instalment in the story of the Industrial Revolution by recreating the mill as it was during its heyday and by showcasing the enterprise of the Gregs, a dynasty which operated the mill from 1784.

Samuel Greg, "a perfect gentleman but rather choleric" was one of a new breed of entrepreneurs. At Sial, he established one of the first rural factory colonies.

Quarry Bank stands, imposing, dark, though not at all

serenic, in the secluded, wooded valley of the River Bollin. The site was chosen because it offered a good fall of water to power the mill, labour had to come from elsewhere. Many were apprentices, children recruited from poor houses in parishes as scattered as Liverpool, Newcastle-under-Lyme and Chelsea.

As much out of business sense as philanthropy, he provided an "apprentices" house and as the labour force expanded he added cottages, a school, a shop and a church. By the time of his death in 1834, he had created a highly successful company combining spinning, weaving and marketing.

Quarry Bank had by then become a source of inspiration, with its 44-ton water wheel, the water race tunnel running three quarters of a mile underground.

It could be hard work, for apprentices and mill-owners alike. Greg complained that he was leading a dog's life. "I never open a book... rise at 5.30 am, go to bed at 10 pm and toil like a galley slave all day."

In subsequent years, the factory mill was expanded and its cramped site, it could not, however, be isolated from the vicissitudes of the



Samuel Greg's eighteenth century cotton mill at Quarry Bank, Sial, Cheshire.

textile industry. As early as 1887 it was "on its last legs". It hung on, literally clinging to the damp cliffs along the Bollin, until 1939. The last products were laundry bags.

Fortunately for posterity, the mill, village and the estate on which it stood had 20 years earlier been given by Mr Alex Greg, great, great, grandson of the founder, to the National Trust. At first, the trust attempted to secure the building's future by letting sections to small businesses, but by the end of the 1950s the mill was caught up with the mill. It stood empty, little more than a shell needing urgent repair.

Before then there would have been little hope for an old building like Quarry Bank. At the start of the 1970s, though, industrial archaeology was flourishing and the mill's worth was recognized.

The National Trust undertook to restore the mill—a task nearing completion.

A shopping list adding up to £750,000 has been drawn up. So far £150,000 has been spent, besides the £250,000 spent by the National Trust on renovation. The museum opened in June, 1978, and later that year Mr Sekers was appointed museum director.

He describes himself as a "textile industry drop-out", having worked for several years in the family company, Sekers International, before opting out, and into the Gladstone pottery museum at Stoke.

Response to the project, which will be self-financing, has been good, he says. The museum has started with a huge amount of raw material—correspondence of the Gregs, accounts, essays written by apprentices, and the rest. But the project's success will depend largely on individual contributions.

Local textile companies have been able to offer Victorian machinery, much of which had been in use until recently and the engineering expertise to restore it to working order.

The people of Sial, whose village itself is part of the living museum, have given Mr Sekers the benefit of their own memories of working at Quarry Bank. "Old women, for example, say that, so far, I have been unable to capture the sense of fun enjoyed by those who worked in the mill. They say they used to dance to music," he said.

Eventually Mr Sekers and his enthusiastic team of assistants hope that apart from providing study facilities and displays of exhibits Quarry Bank will start producing again. "I want to see spinning and weaving working in a hot, sticky atmosphere at Quarry Bank. I'd like visitors to be able to see the water frames, the looms, working again."

Business Diary profile: Richard Langdon's battleground

Richard Langdon did a large volume of the training for his accountancy qualifications while "sitting on a gunsite" during the war. It was an appropriate starting point for a man who has fought some formidable battles since.

The most recent of these, against fellow accountants Deloitte, Haskins & Sells, came to a curious end a couple of weeks ago. Both sides retired from the field, claiming that their honour was intact; but Langdon, in his capacity as liquidator to the fringe bank London & County, took £900,000 of Deloitte's indemnity insurance with him.

The case arose out of the collapse of London & County at the end of 1973, which precipitated the secondary banking crisis. Harmond Bank, a subsidiary of the company, had given a clean bill of financial health in their report on the accounts for the year to the end of March 1973, for which Langdon was subsequently heavily criticized by the Department of Trade investigators into the company's affairs.

As liquidator for London & County, Langdon decided that Harmond Bank, which had merged with Deloitte in 1974, could and should be sued for the losses—a dividend and taxes that would not have been paid had the true position been obvious—that resulted from publication of the unqualified report.

More controversially he also sued for the losses made in three to six months trading that would not have been undertaken had the company died, when it should have done, at the start of 1973.

It was, says Langdon, reservations about the amount he would actually get on the latter account even if judgment was given in his favour, that disposed him to listen with interest when Deloitte, still vigorously protesting its innocence, proposed a settlement out of court.

As the reverberations of this particular fracas die away, he is applying his mind, again on behalf of the creditors of L & C, to the interesting question of whether anything can be

extracted from the company's former presiding genius, Gerald Caplan. "I do not," says Langdon, "know much about Caplan; but I do know a good deal about his affairs."

Langdon, now 60, is no stranger to the sound and fury of City scandal. As senior partner and managing partner of Spicer & Pegler, a firm of accountants with a long, strong line in City connections, he has been called in often enough by banking clients nervous about

the security of their loans. He was one of two Department of Trade Inspectors appointed to investigate the affairs of the National Group of Unit Truists, headed by Sir Denis Lawson, former Lord Mayor of London, during 1973. Langdon is, moreover, deputy chairman of FNFC, through it vigorously repudiates any suggestion of scandal attached to this, the longest occupant of the "lifeboat".

He says he enjoys the "lancet" work on which he spends half his time: that the pressure is exciting, and the deadlines a challenge. The first few weeks, he says, are always the toughest, particularly in a potential disaster.

"You have to trim the sails, turn the thing around, maybe bail it out... to keep it afloat. After a while you get the thing organized—and then, if anyone can do it, they should be asked to."

"Anyway," he says, "proceeding with engaging frankness a view which would certainly be considered heretical in most of the big audit firms, I don't think that anyone should work more than five or six hours a day on a continuous basis. You become pretty inefficient otherwise."

This evident enjoyment is in strong contrast to his start in accountancy, filling in a year (before going up to Oxford) at the behest of his father, a self-made man in the best tradition of Spicer & Pegler clients, who did not believe that a graduate was of much use to anyone.

Though accountancy "rather dull" but was sufficiently hooked on "dealing

with real things" when war broke out that autumn, to continue studying in the army, and qualify as soon as possible thereafter.

He joined Spicer & Pegler—then a six-partner firm with one of the original (1902) founding family still in charge—in 1949, and helped to develop the policies that took the firm's first association with their leading provincial counterparts in the 1950s.

"There was rather a feeling then, among the older members, that the grass grows green in the City... so why bother?" he says now. "But we couldn't have built up the United Kingdom connexion, or that overseas, unless everyone had agreed."

Spicer & Pegler still specializes in City work, and in the smaller public company, which is entirely agreeable to Langdon. "I think this is the way things will have to develop: everything will have to go into smaller units."

I believe that a lot of our problems today stem from the fact that people are working at jobs they do not enjoy: they are just cogs in a large machine... people should work for themselves. You work harder, but you enjoy it much more."

As for the future of accountancy, he is firmly of the opinion that we need good auditing; we need people of an inquisitive and inquiring nature. There is a danger in the proliferation of standards.

Adrienne Gleeson



Gunner Langdon and his part in London & County's downfall.

Faith, hope and £356m

When Mr Nigel Brookes became chairman of the new urban development corporation charged with the task of reviving the flagging fortunes of London's East End, he said that he regarded the docklands as "one of the most neglected areas of the country."

At the moment, some £326.2m of public money more than seven times the 1979 pre-tax profit of Mr Brookes' ships-to-newspapers Trafalgar House group—is committed to the task he will inherit.

By any criterion, that is a high level of neglect but it is easy to understand why Mr Brookes said what he did. Docklands runs through five east London riverside boroughs—Newham, Southwark, Greenwich, Lewisham, and Tower Hamlets—all of which have been hit badly by the area's economic decline, notably in the operations of the Port of London and its ancillary trades.

The five councils, in partnership with the government and the Greater London Council, have been trying to attract industry back to the area since 1976, but with limited success.

While the programme to build new housing and roads in an area of extreme social deprivation has proceeded with pace, private enterprise has treaded the project with some caution.

The two largest schemes attracted to the area are the transfer of the Billingsgate fish market from its present site in

the City to the Isle of Dogs and the construction of a new headquarters for News International, publishers of the Sun and the *News of the World*, in Wapping.

But there are reservations about claiming either scheme as a great example of the docklands' success in industrial development. The Billingsgate move has a good deal to do with an understandable desire to free for development the valuable land which it now occupies in the City, and the motives of News International stem to a large extent from the unique problems of newspaper distribution in Fleet Street.

Industry in the regions

Moreover, both schemes will tend to take their workers with them, giving little comfort to the docklands community, whose chronic unemployment instigated the redevelopment scheme in the first place.

Between them, the developments will employ around 5,000 people, but few, if any, will be new jobs created in the docklands for local unemployed.

The Billingsgate and News International projects have been held up as examples of

the success of the strategy of the local councils, but the hollowness of the argument has not been lost on the Government.

This was one reason why Mr Michael Heseltine, the Secretary of State for the Environment, decided to replace the Docklands Joint Committee with an urban development corporation headed by Mr Brookes, with Mr Bob Mellish, the East End Labour MP as deputy chairman.

The new body will not start work until next year, but already its existence has been criticized by the local authorities who regard it as an unjust encroachment upon their traditional powers.

Their objections also stem from the knowledge that the organization will be given powers to introduce transport schemes, deal with intransigent statutory landowners, and generally bypass conventional local authority procedures in a way which councils would have loved to have possessed themselves.

The docklands project is now moving ahead, whether to success or to ultimate failure. Its new houses are replacing slums, and its new roads bringing in a transport system which will open it up to the rest of the country. The traditional industries—the dock and ship repair services—are either dead or dying. It remains to be seen what, if anything, will replace them.

David Hewson

River Plate centre of Russian activity

It appears from events last week that Soviet charterers may have been too successful in reletting the tonnage they originally fixed to ship grain prior to the United States ban. The same charterers were back in the market seeking a number of vessels including some to move grain.

As usual few details of any fixtures were available but in particular the Russian interest in the tonnage out of the River Plate was noted. According to the reports that Argentina is not supporting the American ban on grain sales.

The vessels were reportedly to be loaded with 25,000 to 55,000 tonnes. A 50,000 tonner was rumoured to have been booked for a River Plate round voyage for delivery at Gibraltar at a rate of \$12,000 per ton. Other tonnage apparently lined up involved a 27,000 tonner for a trip from the Far East to Europe via Australia at \$9,500 a day, and a slightly smaller vessel from Australia to Europe at \$12,000 a day.

The Australian Government is to review its policy on grain sales to Russia in May, some time before existing grain contracts expire. The 2,250,000 tonnes of grain originally sold to Russia prior to the ban will be delivered but Australia is standing by to fulfil commitments to replace any of the 17,000,000 tonnes purchased from the United States and cancelled under the ban.

Grain sales will inevitably mean the United States has lost a lot of grain to hand and it is busy trying to find alternative sources. Taiwan recently bought 1,000,000 tonnes and the United States is considering Japan is considering 700,000 tonnes. Although nowhere near the total, at least these sales will keep some ships employed which otherwise would have had to find alternative cargoes.

Wall Street

New York, Feb. 22.—Stock prices fell as the NYSE index lost 0.23 to 65.80 and the average price per share 12 cents. Declines led advances 1,170 to 372.

The Dow Jones industrial average edged up 0.25 to 868.77, shaving its loss for the week to 16.21. Turnover slowed to 48.21 million shares from 51.53 yesterday.

More bad news on interest rates and inflation and speculation about the possible imposition of economic controls depressed stock prices in active trading.

Old slips

[illegible]

July, 75.50c.	Nov. 74.00c.	May, 82.00c.
CHICAGO SOYBEANS: closed mixed to	March, 84.50c.	May, 82.00c.
to faster.	July, 81.50c.	Nov. 74.00c.
685-06-50c.	Sept. 70.50c.	Nov. 74.00c.
715-10-10c.	Jan. 73.50c.	March, 75.50c.
SOYBEAN OIL—March, 20.80-82c.		
May, 23.18-52c.	July, 24.00-00c.	Aug. 24.30-32c.
Sept. 23.60c.	Oct. 24.85c.	
Nov. 25.00c.	Jan. 25.18-20c.	March, 25.50-50c.
SOYBEAN MEAL—March, 176.30-32c.		
May, 182.50-1.10c.	July, 184.00-00c.	Aug. 184.20-20c.
Sept. 185.00-00c.	Oct. 185.50-50c.	
Nov. 186.00-00c.	Jan. 187.00-00c.	March, 188.00-00c.
194.00-00c.	July, 201.00c.	March, 202.00-00c.

[illegible]

Pope Corp.	-7%	Fuchs & Co. Inc.	+10%	WCT	-1%	J&J	+16%
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*Ex Div. A shared. *Ex distribution. B Bid. H Market closed. N New issue. S Stock split.
 † Traded. ‡ Unquoted.

Foreign exchange—Swiss franc, spot,	The Dow Jones averages—Industrial		
\$1.070 (\$2.985); three months,	888.77	888.52;	transportation
2.2547 (2.2765); Canadian dollar	110.43;	65 stock	318.55 (+328.55)
1.0000 (1.0000), U.S. dollar,	65.80	Year	65.80
The Dow Jones spot commodity index	65.80	06-03,	Industrials
was 330.06. The futures index was	77.64;	transportation,	58.00
	59.21		

CHICAGO GRAINS: WHEAT—March,	281 ¹ / ₂ —30 ¹ / ₂ c.	July,	272 ¹ / ₂ —25 ¹ / ₂ c.	Sept.	265 ¹ / ₂ —24 ¹ / ₂ c.	
442—43 ¹ / ₂ c.	May,	287 ¹ / ₂ —27 ¹ / ₂ c.	Aug.	303 ¹ / ₂ —30 ¹ / ₂ c.	Dec.	312 ¹ / ₂ —31 ¹ / ₂ c.
435—44 ¹ / ₂ c.	Sept.	476 ¹ / ₂ —47 ¹ / ₂ c.	Dec.	324—34 ¹ / ₂ c.	OATS—March,	187 ¹ / ₂ —187 ¹ / ₂ c.
49c.	March,	511 ¹ / ₂ c.	Dec.	187 ¹ / ₂ —187 ¹ / ₂ c.	July,	186 ¹ / ₂ —186 ¹ / ₂ c.
MAIZE: March,	267 ¹ / ₂ —267 ¹ / ₂ c.	May,	Dec.	174 ¹ / ₂ c.		

Freight report

Certainly the hope of charterers that Soviet rechartering would cause rates to collapse has not been met. The market is as firm as ever with the tone in the east stable and in the west it improved after some recent softening. United States Gulf to Japan grain rates recovered some ground with rates for 15,000 bushels paid for \$50.00 a tonner and \$26 for a 30,000 tonner. Transatlantic rates also picked up by around 50 cents. The general volume of trading through the week was hit by a holiday in the United States. Voyage and hire chartering tended to be quieter than of late.

The United States holiday also helped keep the tanker market in the sluggish state it has experienced over the last 18 months or so. The tanker market is rattled in further decline and the going level for a twice now stands at around world scale 29.

Despite this being below the operating cost of most points, charterers are preferring to keep their ships running, so maintaining cash flows, rather than returning ships to an expensive dry-dock.

A general feeling in the market is that rates will improve shortly. However, the basis for this optimism is thin. The volume of available tonnage in the Gulf is likely to be large in the Gulf in reaction to some tanker shed.

David Robinson

More share prices
Additions to Stock Exchange
prices to appear on February
25, 1980.
Commercial & Industrial
Polly Peck

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crds	17%
C. Hoare & Co	17%
Lloyds Bank	17%
London Mercantile	17%
Middle East Bank	17%
Nat Westminster	17%
Rossmore	17%
TSB	17%
Williams and Glyn's	17%

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Coastalation E000's	Companv	Last Price	Ch'ge on week	Gross Div's	Yid- %	P/E
4,163	Airsprung Group	72	—	6.7	9.3	*4.2
900	Armistage & Rhodes	36	—	3.8	10.6	*2.9
7,179	Bardon Hill	235	+1	33.8	5.9	*14.4
850	County Cars Pref	82	—	15.3	18.0	—
6,351	Deborah Ord	98	+2	7.9	8.1	*6.1
3,674	Karl Horsell	108	+3	12.8	11.8	*4.9
15,602	Frederick Parker	105	+3	16.5	15.7	*4.4
2,236	George Blair	64	+5	5.2	8.1	*3.8
1,800	Jackson Group	116	+1	7.2	6.5	*10.2
16,010	James Burrough	250	—	31.3	37.7	*8.0
2,550	Robert Jenkins	218	—	14.3	6.7	*5.7
3,354	Torday Limited	211	+1	0.8	4.0	*4.0
4,527	Twynlock Ord	51	—	12.0	15.8	—
2,075	Twynlock 12% ULS	51	—	2.6	5.1	*10.8
6,660	Unilock Holdings	85	+1	4.4	5.1	*5.6
10,738	Walter Alexander	182	+1	11.5	6.3	*7.0
	W. S. Yeates					

*Accounts prepared under provision of SSAP15

Issues turning point may be near

After prices of fixed-rate international dollar bonds fell by between four and six points last week, some usually pessimistic market participants are beginning to look for a turnaround, writes A.P. Dow-Jones. "I think we are very close to the bottom," says Joseph Gelazka, a senior vice president of Merrill Lynch International in charge of international bond trading.

Until recently, Mr Galazka has consistently been pessimistic about the outlook for the international bond market. He says with some pride that throughout the unprecedented slide in bond prices this year, his trading operation has been profitable. He explains that his traders have been able to maintain short positions, which involve selling borrowed bonds and buying them back later,

However, Mr Galazka says that the recent upward adjustment in short-term and long-term dollar interest rates has been so great that further increases are likely to be limited.

As of Friday, three-month rates for interbank dollar deposits in London stood at a record 16.88 per cent offered while the six-month rate came to 16.94 per cent offered.

At the beginning of the year, these rates were both at 14.19 per cent.

According to calculations of Eurobond prices (yields:

Credit Suisse-First Boston, the average yield to maturity of five-year seasoned dollar notes came to 14.66 per cent on Friday while long-term yields were at 14.24 per cent. At the beginning of the year, the Luxembourg Stock Exchange calculated these yields at 12.61 and 12.63 per cent respectively.

Euromarkets

Mr Galaska contends that short-term interest rates will probably stay at high levels for some months but that long-term yields could start to drop in the coming weeks as investors become nervous about holding too much money in cash equivalents and start to nibble at the

"Once the nibbling starts, people will start taking some big bites", he predicts.

"All we need is the faintest suggestion that the economy is weakening or that inflation is levelling out and some of the huge amount of funds held short-term will move into the bond market," he says.

Mr. William Sreen, an executive director of Chase Manhattan, in charge of bond trading, is also changing his view

and premiums)

Eurobond prices (yields and premiums)

[illegible]

Weekly list of fixed interest stocks

Last week		Gross Divid		Yld	P %
72	—	6.7	9.3	+4.2	
36	—	3.8	10.6	+2.4	
235	+1	13.8	5.9	+6.9	
85	—	15.3	18.0	—	
92	+3	5.0	5.4	10.1	
98	+2	7.9	8.1	6.1	
108	+3	12.8	11.8	—	
105	+3	16.2	15.7	—	
64	+5	5.2	7.2	+1.8	
250	—	7.2	6.2	+0.2	
218	—	14.3	6.7	+5.7	
211	+1	0.8	4.0	+4.0	
76	—	12.0	15.8	—	
51	—	2.6	5.1	10.8	
85	+1	4.2	5.1	5.6	
182	—	11.5	6.3	7.0	

Unit Trust Prices—change on the week

[illegible]

City Offices
Hampton & Sons
01-236 7831

Stock Exchange Prices

Capitalization and week's change

ACCOUNT DAYS: Dealings Begin, Today. Dealings End, March 7. \$ Contango Day, March 10. Settlement Day, March 11.
\$ Forward bargains are permitted on two previous days
(Current market price multiplied by the number of shares in issue for the stock quoted)

LEARN IT HERE-DO IT THERE!!

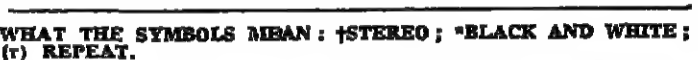
Manchester Business School
INTERNATIONAL SENIOR
EXECUTIVE COURSE-MARCH '80

Contact Sylvia Priest, MBS Booth St West
Manchester M15 6PB Tel: 061-273 8228

[illegible]

RADIO

TELEVISION



4.15 Clapperboard: Chris Kelly looks at two Olympics films, *Visions of Eight* and *White Rock*. *Paul Eddington* (BBC 2, 9.00)

12.35 am Close: Michael Bentine reads Shelley's Ozymandias.

Report Wales
Y Dydd, 8
Wythnos.
HTV WEST

2.30 Film:
Mork and
10.30 Nor
Virginia HU

100

100

